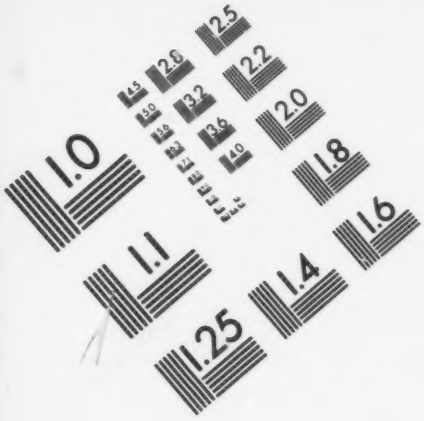

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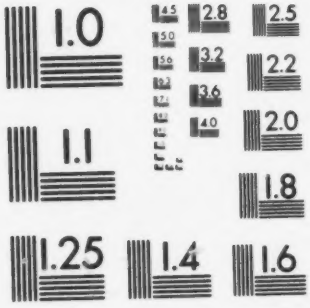

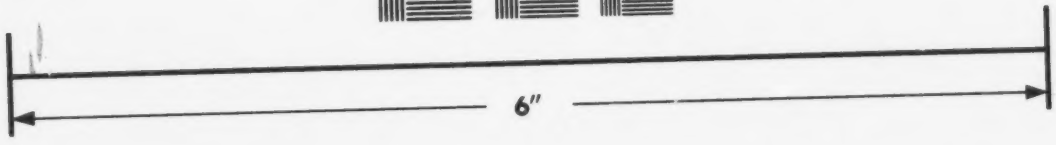

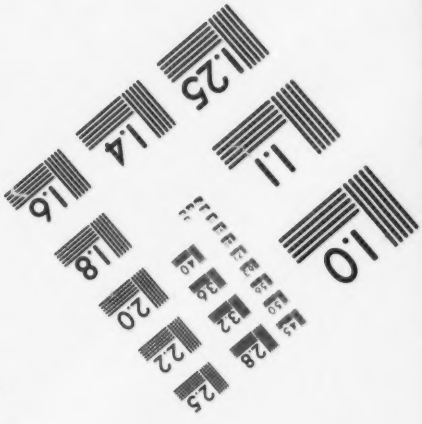

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Daily Report

East Europe

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Friday
14 October 1988

Daily Report
East Europe

FBIS-EEU-88-199 *14 October 1988*

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Groundwork for Parliamentary Council Laid

LD1310054988 Warsaw PAP in English
2232 GMT 12 Oct 88

[Text] Warsaw, Oct. 12—At the end of the 2-day working consultations of parliamentary representatives of Bulgaria, Hungary, the GDR, Poland, the USSR and Czechoslovakia here, coordinated were draft documents providing the basis for establishing the council of parliamentry cooperation. The agreement concerning this issue was reached in Berlin at the annual meeting of parliamentary chairmen of states-parties to the Warsaw Treaty.

The deputies and experts working on the documents were received today by Sejm (Polish parliament) speaker Roman Malinowski. In a letter to the chairmen of parliaments of these countries, Malinowski proposed that the ceremony of signing the declaration on founding the council of parliamentary cooperation be held in Warsaw in November before the oncoming Warsaw conference of chairmen of parliaments of European countries, the U.S. and Canada.

"We all pin big hopes on the foundation of the Council of Pariamentary Cooperation concerning both the tightening of bilateral relations within the socialist community and exchange of experiences between parliaments as well as the development of relations with Western countries aimed at building the common European home. The council should play a constructive role in cooperation with the European parliament and other collective bodies of Western Europe, and also in CMEA-EEC relations," Malinowski said.

Roman Malinowski also briefed the participants on preparations for the round table debates and expectations connected with these talks as regards the broadening of the process of national agreement and sociopolitical and economic reforms.

Romania Refuses to Join

LD1310122188 Prague Domestic Service in Czech
0300 GMT 13 Oct 88

[Text] Poland—At the end of the working meeting of parliamentary representatives of Czechoslovakia, Bulgaria, Hungary, the GDR, Poland, and the USSR, draft documents on setting up the Council for Parliamentary Cooperation were approved in Warsaw yesterday.

Romania has refused to join this initiative of the Warsaw Pact member states. It was said at a session of the RCP Central Committee Political Executive Committee that a joint parliamentary body would, allegedly, under current conditions, necessarily take on a supranational character.

Upcoming Warsaw Pact Session Noted

LD1210182188 Prague Domestic Service in Slovak
1700 GMT 12 Oct 88

[Text] A regular session of the Warsaw Pact Defense Ministers' Committee is to take place in Prague in the second half of October.

Romanian UNGA Delegate Condemns Apartheid
AU1210194988 Bucharest AGERPRES in English 1930 GMT 12 Oct 88

[Text] United Nations (AGERPRES) 12/10/1988—Taking the floor during the debates in the Third Commission of the UN General Assembly, Romania's representative reiterated his country's stand of principle that resolutely condemns racist policy and practices, racial discrimination and apartheid and manifests its militant solidarity with the national liberation movements to the end of the attainment of all peoples' aspirations after a free and dignified life. Millions of human beings, the speaker stressed, continue to be victims of various forms of racism and racial discrimination, with the most brutal form manifesting in South Africa. The apartheid system, declared by the United Nations as a crime against mankind, is now strongly condemned by the international community, he said recalling that the United Nations had acknowledged the legitimate character of the fight of the population in South Africa against racial discrimination and the apartheid policy. The speaker stressed that the UN should give priority to the programmes combating racism, racial discrimination and apartheid, step up efforts in the second decade of fight against racism and discrimination, in order to assist and support the victims of the racist policy, racial discrimination and apartheid. In Romania's outlook, the Romanian representative stressed in conclusion, the fight against racism, racial discrimination and apartheid should include measures meant to improve the economic, political, social and cultural conditions of the population, with a view to liquidating inequality as concerns jobs, nutrition, health dwellings and education.

Conference on CEMA Reform Conducted in Budapest
LD0710202688 Budapest MTI in English 1538 GMT 7 Oct 88

[Text] Budapest, October 7 (MTI)—The international conference organized by the World Economic Research Institute of the Hungarian Academy of Sciences on the radical reform of the CMEA ended in Sopron on Friday. With the exception of Romania and the Democratic People's Republic of Korea, all socialist countries were represented. Participants included representatives of the World Bank and financiers from 12 Western countries, including the United States.

Kalman Pecsi, deputy director of the institute and chairman of the conference, said in an interview to MTI that Hungarian experts agreed on the need to carry out a radical reform in CMEA and free it from the aftermath of the Stalinist concept.

It was pointed out at the conference that the principle of mutual economic assistance has become outdated, as the decline of efficiency, expedience and performance orientation in the system of cooperation based on assistance has led to a worldwide lag in the field of technical-scientific progress. There were calls for a change in the basic principles of cooperation and the creation of market-oriented cooperation on the basis of mutual advantages.

Hungarian participants proposed attention should now focus on ways and means of overcoming the crisis, instead of analysing its symptoms. To this end, convertible CMEA currency has to be introduced as soon as possible. It was stated that changes have to be introduced gradually.

The relations between the CMEA and the EEC were widely discussed at the conference. The question is approached differently in the socialist countries. Hungary supports greater opening in this field.

The conference was marked by constructive debate, but the kind of clashes as reported by REUTER, probably due to misunderstanding, did not take place. It is true that agreement was not reached on every issue, but that was not the aim.

Particular interest followed the proposal of Sandor Demjan, general director of the Hungarian Credit Bank Co., that a central European offshore area should be set up in Sopron and its vicinity. "I myself support this idea," said Kalman Pecsi. "These areas are attractive for working capital and promote international trade. Naturally, realization will take time, there need to be decision on a higher level."

The World Economic Research Institute of the Hungarian Academy of Sciences are to forward the summary of the debate to the government bodies of all concerned countries including Romania, although it did not accept our invitation.

International Lutheran Peace Conference Held
AU0410115488 Bratislava PRAVDA in Slovak 1 Oct 88 p 2

[CTK report: "Peace Conference"]

[Text] Bratislava—The theme of the international youth peace conference, which was organized by the World Lutheran Union and opened yesterday [30 September] in Bratislava, is "Roads Leading to Peace." The conference is being attended by delegates from more than 20 churches, all of whom are World Lutheran Union members in Europe. At the gathering they will exchange experience and formulate the common goals of the young people from the participating churches within the ecclesiastical process of preserving creation, justice, and peace in the world.

Indian Defense Minister Arrives, Begins Talks

AU1310191388 Sofia BTA in English 1825 GMT 13 Oct 88

[Text] Sofia, October 13 (BTA)—Mr Krishna Chandra Pant, minister of defence of India, today underlined the close relations between India and Bulgaria and their active cooperation in the United Nations and at various international forums.

Speaking before journalists, the Indian minister, who arrived here today to pay an official visit at the invitation of Army General Dobri Dzhurov, minister of defence of Bulgaria, stressed that India and Bulgaria share the same views on all key issues of our time.

During the talks which were held in the afternoon the two ministers of defence exchanged information on the social and economic development of Bulgaria and India and discussed the possibilities for the further promotion of the relations between the two countries.

The two sides also discussed some questions of the international relations, voicing a shared satisfaction with the positive changes in the situation in the world and the break made in the settlement of current problems as a result of the new political thinking. They stressed the two countries' will to continue their activity aimed at the elimination of the threat of a thermonuclear catastrophe, advancement of cooperation and good-neighbourly relations in the regions where Bulgaria and India belong, and at the settlement of all points of difference by political means.

[Sofia Domestic Service in Bulgarian at 1830 GMT on 13 October, in a shorter report on the arrival of the Indian defense minister, adds the following: "Army General Dobri Dzhurov gave a dinner in the Central Club of the Bulgarian People's Army in honor of Krishna Chandra Pant"]

Todorov Praises SRV Peace Efforts

BK0510154788 Hanoi VNA in English 1525 GMT 5 Oct 88

[Text] Hanoi VNA October 5—Bulgaria welcomes Vietnam's efforts for strengthening peace in Southeast Asia, said chairman of Bulgaria's National Assembly Stanko Todorov in Sofia on Tuesday while receiving National Assembly Chairman Le Quang Dao, who is on an official visit to Bulgaria.

The two leaders expressed their determinatuon to increase cooperation and exchange of experience in implementing the task of restructuring and to enhance their close relations, especially between various committees of the two national assemblies. They noted with satisfaction that the Vietnam-Bulgaria cooperation have been constantly broadened.

Danchev-Led Business Delegation Visits Tokyo

AU1310163188 Sofia BTA in English 1602 GMT 13 Oct 88

["Bulgaria, Japan Promote Business Contacts"—BTA headline]

[Text] Tokyo, October 13 (BTA)—During the first three days of their visit here, a Bulgarian delegation led by Mr Petko Danchev, president of the Biotechnological and Chemical Industry Association and co-chairman of the Bulgaro-Japanese Committee for Economic and Techno-Scientific Cooperation, achieved tangible results in the promotion of bilateral business contacts.

At a series of meetings with prominent Japanese businessmen, the sides considered questions concerning the expansion of bilateral cooperation in the biotechnological, the chemical and the food industries, in metallurgy and the production of consumer goods. General agreements on production and techno-scientific cooperation were signed with the Marubeni, the Mitsubishi and the Mitsui Bussan Companies. The entry into force was announced of an agreement to form a Tokyo-based pharmaceutical joint venture with Marubeni. The first agreements on Bulgaro-Japanese consortia in pharmaceuticals and food processing were also signed.

The sides assessed in positive terms the promotion of Bulgaro-Japanese relations so far and expressed a shared desire for a still wider and better mutually advantageous contacts in various fields, making use of the most up-to-date forms of cooperation.

New Ambassador to Cambodia Appointed

AU1110143488 Sofia RABOTNICHESKO DELO in Bulgarian 8 Oct 88 p 6

[Text] The State Council has relieved Leon Yosifov Berakha of his post as Bulgarian ambassador to the People's Republic of Kampuchea.

Gancho Khristov Ganchev has been appointed Bulgarian ambassador to the People's Republic of Kampuchea.

BCP CC Sends Message to Peruvian Communists

AU1110100188 Sofia RABOTNICHESKO DELO in Bulgarian 7 Oct 88 p 6

[Text] The BCP Central Committee has sent the following message to the Central Committee of the Peruvian Communist Party [PCP]:

Dear comrades, we send you the warmest, fraternal greetings of the Bulgarian Communists and all Bulgarian working people on the 60th anniversary of founding the PCP.

Foreign Ministry Protests to SFRY About Slogan

AU1310194788 Tirana Domestic Service in Albanian 1900 GMT 13 Oct 88

[Text] The Ministry of Foreign Affairs of the People's Socialist Republic of Albania today sent a note to the SFRY Embassy in Tirana, in which the Albanian Government protests energetically to the Yugoslav Government about the fact that, at a rally held on 8 October in Kragujevac, one of the banners bore the following slogan, written large: Onward Slobodan—if necessary to Tirana.

A photograph showing the aforementioned slogan was also published on page one of the Belgrade newspaper POLITIKA of 9 October 1988. The note requests the Yugoslav Government to adopt serious measures in order to put an end to provocations of this kind against the People's Socialist Republic of Albania.

Paper Comments on Protest

AU1410085188 Tirana ATA in English 0830 GMT 14 Oct 88

["Do Not Play With Fire"—ATA headline]

[Text] Tirana, October 14 (ATA)—The newspaper "ZERI I POPULLIT" carries in its issue of October 14, an article under the above title, which says:

Some days ago the spokesman of the Ministry of Foreign Affairs expressed the worry of our government for the anti-Albanian hysterical campaign that has assumed vast proportions in Yugoslavia recently and which directly influences also the relations between the two countries.

They in Belgrade did not want to read attentively this statement and to try to understand its content correctly. On the contrary they made haste to declare it as an interference in the home affairs of Yugoslavia. But it's better to let the facts speak and the broad public opinion assess who is right.

On October 9 the newspaper"POLITIKA", the known spokesman of the leadership of Serbia and the most ardent propagator of the stands and actions of the chairman of the CC of LC of Serbia, Slobodan Milosevic frontpaged a photograph from a demonstration staged in the city of Kragujevac where one could clearly see the slogan where it was written: "Go ahead Slobodan, if necessary as far as to Tirana".

In the demonstrations organized by the political chauvinist staff of Belgrade throughout Yugoslavia, which the world press has compared to the pre-war fascist manifestations in Italy and Germany, slogans are launched and streamers are carried such as "We want weapons", "Let's wipe out the Albanians" "We want blood", "We want the Russians", etc. Now these slogans have not to do with the socalled Albanian irredentists and separatists, as the Yugoslav press writes, but with a line and campaign spearheaded against the Albanians in General, against those living in Yugoslavia, on whom the pressure and discrimination have assumed the form of apartheid, but also against the People's Socialist Republic of Albania.

Nothing has been said who has written the slogan for the march to Tirana and who launched it. But it is clear that it is consciously selected and published by "POLITIKA". Hence, here we have to do with a preneditated act, which as for its content and aim represents a very dangerous tendentiousness with grave consequences. As it seems the hot heads of Serb chauvinism seek to set not only Kosovo and Yugoslavia on fire but the Balkans as well.

The worst so, so far none of the official Yugoslav authorities has distanced himself from this dangerous provocation. [sentence as recieved]

As far as Albania is concerned we would like to say to the authors of these appeals that those men who can frighten the Albanians are not yet born. History has proved more than once: Whoever has marched to Tirana he has laid his bones here. Therefore we would advise them not to play with fire.

The events occuring in Yugoslavia are its own affair, as long as they happen within its borders. But when they transgress these borders, then things change. And it is our right to raise our voice of protest twice: against the persecution and discrimination of the Albanians in Yugoslavia, against the pressure on then and their indiscriminate oppression as well as against the threats towards Socialist Albania, the appeals for war against it.

Yugoslavia itself, the Balkans and Europe need peace and tranquility and not disputes and conflicts, they need cooperation and friendship and not rancour and hatred. This is not only a demand of time, but also desire of their peoples.

With its long-lasting activity, the PCP has asserted itself as an authoritative political force, loyal to Marxism-Leninism and proletarian internationalism, and conducting a tireless struggle against imperialism and reaction in defense of the vital interests of the working people and the broad masses of the people.

We are convinced that your efforts to increase the PCP's role and influence and to rally its ranks will contribute to further developing cooperation among all leftist, patriotic, and democratic forces in your country. Your efforts will also serve to develop Peruvian society along the road of democracy, social justice, and progress.

We highly value your contribution to the struggle for peace and disarmament, for eliminating the threat of nuclear war, and for the independent and democratic development of the Latin American countries.

On the day of your glorious anniversary, we express our confidence that traditional relations of friendship and cooperation between the BCP and the PCP will strengthen and develop in the interest of the two countries and peoples, and the cause of peace, democracy, and social progress.

Publication Correction

The following four items, entitled "Zhivkov, Jaruzelski Give Account of Meetings;" "Relations With Poland Reach 'New Stage';" "Atanasov, Georgian Premier Discuss Relations;" and "Transport Protocol Signed With USSR", were omitted from the 5 October East Europe Daily Report on page 13 due to printing error.

Zhivkov, Jaruzelski Give Account of Meetings
AU0410101988 Sofia RABOTNICHESKO DELO in Bulgarian 1 Oct 88 p 2

[Replies by Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council, and Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the PPR State Council, to questions from BTA and PAP correspondents, following the conclusion of their talks in Sofia on 30 September]

[Text] After signing the documents, Todor Zhivkov and Wojciech Jaruzelski answered questions from special correspondents of the Bulgarian Telegraph Agency and the Polish Press Agency.

Todor Zhivkov: The relations between Bulgaria and Poland have always developed in a friendly spirit, and we are jointly striving for understanding and mutual aid. Our two parties, the BCP and PZPR, are the foundation for this favorable development of our relations. Throughout the years of popular power in Bulgaria and Poland, the process of cooperation has been steadily deepening. Now, under the conditions of restructuring, for which the Soviet Union and its leadership, led by Mikhail Gorbachev, provide the impetus and the guiding force, new historic conditions are being created for raising the cooperation between the socialist countries to a qualitatively new level. This can also be seen from the cooperation that we are implementing with friendly Poland.

Our personal working meetings with Comrade Wojciech Jaruzelski are held in an exceptionally friendly atmosphere, in conditions of mutual respect and comradeship, and, what is most important, in a businesslike manner.

Wojciech Jaruzelski: Our talks with Comrade Todor Zhivkov have a long tradition, stretching over many years. This system of working meetings enables us, within a comparatively short time, to discuss in depth the most important problems that are of concern to our parties and states. This was also the case on the present occasion. We understand one another immediately, because we are marching along roads that are very similar, and because we are moving along a common course—the restructuring under way in the socialist community.

Your experience is exceptionally valuable, and I am very pleased that I have talked with Comrade Todor Zhivkov. In this way we are able to better understand the mutual features and different aspects of socialist construction, and in this way can resolve the problems together. It may therefore be said that our cooperation is exemplary in nature, and that we want to consolidate it and continue the dialogue. With this idea in mind, I invited Todor Zhivkov to make a visit to Poland, and am very pleased that this invitation was accepted. (The replies are published according to the BTA report.)

Relations With Poland Reach 'New Stage'
AU0310135088 Sofia RABOTNICHESKO DELO in Bulgarian 2 Oct 88 p 1

[Editorial: "Innovation Is a Common Cause"]

[Text] Even meetings at the highest level between allied socialist countries already reflect the dynamic pace and acceleration in our domestic development and in our interstate relations. The friendly, working visit paid to our country by Wojciech Jaruzelski, the first Polish party and state leader, at the invitation of Todor Zhivkov, first secretary of the BCP Central Committee and chairman of the State Council, lasted no more than a few hours, but it was filled with intensive talks and the signing of documents determining the trends of cooperation, even after the beginning of the 21st century.

The development and cooperation program between the BCP and the PZPR in the fields of politics, ideology, science, and culture for the period up to 2000, and the concept of the development of economic and scientific-technical cooperation between the People's Republic of Bulgaria and the Polish People's Republic for the period

up to 2005 mapped out new foundations for our joint work under conditions of the innovation of socialism. Both our parties and peoples share the conviction that the restructuring which was initiated under the leadership of our two communist and workers parties is of decisive importance for the further development of the practical and theoretical experience of socialist construction, and for the full utilization of its tremendous creative potential. It is particularly important to point out the results of the 19th CPSU All-Union Conference in this respect.

The coincidence of the restructuring goals in our two countries truly represent a new stage in our cooperation. The urgent requirement for a further expansion of our cooperation and integration processes, in accordance with the variety in our countries and our particular national characteristics, also represents a further challenge. The concept signed by our two first leaders represents a special kind of bridge between the Bulgarian and Polish national economies for coordinated development under conditions of long-term cooperation in decisively important branches of our economies. This is in the interest of the two fraternal peoples, in the interest of the progress of world socialism. The new economic and scientific-technical concept requires even more active communication between organizations, enterprises, and institutes, but also between working people from both countries, which represents the greatest incentive for our strengthening fraternity.

The innovative spirit of creative Marxism-Leninism also inspires the cooperation program between our two parties that has been mapped out for the period leading up to the coming century. This program is based on the profound conviction that the present revolutionary changes in Bulgaria and Poland are the manifestation of the objective laws in the development of socialism, and simultaneously, a result of the new domestic and international realities. Cooperation between the two parties will focus on their process of development as the leading political forces in building socialist society. Through party channels they are committed to contribute to the intensification of economic integration processes and to production sharing and specialization, by using more effective forms of cooperation. At the same time, the BCP and the PZPR will actively cooperate in developing and implementing the foreign policy of our two Warsaw Pact member states, for the sake of consolidating peace and international security.

Our planned cooperation in the ideological, cultural, and scientific sectors is also marked by qualitatively new approaches. The two parties will jointly work on basic questions of Marxism-Leninism in the conditions of the present revolutionary innovation of society and, above all, on problems related to the party's role, to the development of various forms of socialist property, and to economic management. The intensification of socialist democracy, the expansion of self-management in different spheres of social life, the role of the international communist and workers movement, and the struggle for peace, security, and peaceful coexistence will also be topics of our joint, scientific research work.

We cannot fail to fully agree with the following evaluation made by Comrades Todor Zhivkov and Wojciech Jaruzelski during their talks: Our joint actions along the path of socialism are rising to a qualitatively new level, which is to the benefit of our two peoples, contributes to making their lives happier, and promotes the cause of socialism and peace throughout the world.

Atanasov, Georgian Premier Discuss Relations

AU0310151788 Sofia BTA in English 1432 GMT 3 Oct 88

[Text] Sofia, October 3 (BTA)—Today the closing talks between Mr. Georgi Atanasov, chairman of the Council of Ministers, and Mr. Otar Cherkeziya, chairman of the Council of Ministers of the Georgian SSR were held in the "Boyana" Residence. The two leaders highly appreciated the signature of the program for the development of the economic, scientific and technological cooperation between Bulgaria and Georgia until the end of this century. In the future all efforts will be focussed on trading, exchange of technologies, and joint production of goods for the two countries' home markets and for third countries' markets. The carrying out of these tasks requires joining forces of organizations and enterprises and establishing direct contacts between them. Bulgaria enters such relations with a Soviet republic for the first time. A similar program is now being discussed with Moldavia. After the talks Mr. Otar Cherkeziya left the country. Mr. Khristo Khristov, minister of foreign economic relations, saw him off at the airport of Sofia.

Transport Protocol Signed With USSR

AU0310144588 Sofia RABOTNICHESKO DELO in Bulgarian 30 Sep 88 p 2

[Text] A cooperation protocol was signed in Sofia yesterday by Stefan Ninov, chairman of the Sofia People's Council Executive Committee, and by Vladimir Brezhnev, USSR minister of transport construction. The protocol clarifies certain questions pertaining to economic, production, and scientific-technical cooperation between the two countries in connection with the construction of the Bulgarian underground railroad.

Adamec Addresses Government on Restructuring
LD1410045288 Prague Domestic Service in Czech 1830 GMT 13 Oct 88

[Text] The federal government held its constituent meeting today in Prague. We now present an excerpt from the introductory speech given by Premier Comrade Ladislav Adamec.

[Begin Adamec recording] Our first meeting is taking place shortly after the 10th session of the party Central Committee. That session adopted a stand on the implementation of the seventh and ninth sessions of the Central Committee, on carrying out our economic reform, restructuring, and the democratization of the life of society. The report and debate produced harsh criticism of a number of sectors for which we are responsible, and a number of suggestions were made for improving the activity of the governments and ministries. We must deal very thoroughly with all these things. It is our duty to respond as soon as possible to all the comments and demands—not just by endorsing the ideas raised at the 10th session, but by vigorous efforts to remedy matters in the sectors criticized, and by drawing up well-thought out measures to produce progress where we are able. At the same time, where objective reasons make it impossible to alter the situation for the time being, we must say so openly.

Right from day one, the public in our country, in the fraternal countries, and the rest of the world must see that we are capable of tackling things in a purposeful, energetic, and consistent way. In restructuring, too, and in the interests of its implementation, the role of the socialist state is growing and will continue to do so. This applies in particular to the federal government as the central economic body of the state. We must discharge the duties constitutionally assigned to us in all sectors without exception, both as a collective body and as individuals.

The administrative-command system of management has led to parochialism and encourages it. This will have to be overcome, because it is one of the widespread, deeply rooted, and very harmful phenomena. It undermines the status of the government as the representative of the widest interests of society, it leads to the waste of resources on the one hand, and the limitation of justified needs on the other.

The criterion of the work of all the ministries must be its final result—public satisfaction with all types of services, with the quality of goods on the market, with the way official matters are handled, with fairness shown by the state bodies in their actions everywhere. We cannot just present the public with figures on the implementation of certain indicators of the plan; we must treat the level of the genuine satisfaction of their needs as the decisive thing. We must learn to more purposefully use the tools of moral and material incentive and not rely simply on the force of resolutions, but rather implement government decisions using the effective motivation and stimulation of the people. We must continually ask ourselves the questions: What kind of interest does this or that measure elicit, who benefits from it, and who does not? In short, we must think more of the people, of their reactions, thinking, and behavior.

The government cannot remain silent when shoddy production is tolerated, when goods are lacking from the shop counters for no good reason, when there is inadequate industrial safety, when medicines are in short supply, or when dissatisfaction with transportation to and from work is growing. We cannot expect to remedy everything, but we will not tolerate disorder, poor organization, or indifference. In this respect the majority of the citizens will certainly understand and support us.

The elaboration of strategic plans will gradually form the mainstay and principal content of our work. We must responsibly draw up a series of important policy documents on the long-term outlook for the scientific, technical, economic, and social development of the Czechoslovak SR, the Ninth 5-Year Plan, the new Czechoslovak constitution, new legislation, and so forth.

I see our ability to make day-to-day decisions and to marry longer-term and immediate matters as the crucial and, at the same time, most difficult task. Reality demands that we adopt an approach based on a long-term strategy which respects changes in the evolution of science and technology.

The situation concerning the new Favorit car is, from this point of view, an example not to be followed, but this is not merely a matter for the motor industry. Strategic thinking must be underpinned by wide social considerations and comprehensive approaches.

We have considerable resources at our disposal to alter the situation, but needless to say it will not all happen immediately nor all at the same time, but rather gradually, over a period of time. Nor will it be free of obstacles, arguments, and even conflicts. However, none of this is insurmountable or impossible.

Further on Speech
LD1310150188 Prague CTK in English 1513 GMT 13 Oct 88

[Text] Prague Oct 13 (CTK)—The 10th session of the Czechoslovak Communist Party Central Committee "sharply criticized a number of branches for which we bear responsibility, a number of suggestions were made on how to improve the activity of the governments and ministries", new Czechoslovak Premier Ladislav Adamec said here today.

Addressing the first session of the federal government, the premier said: "We must deal thoroughly with all these matters. It is our duty to respond to all suggestions

and demands as soon as possible not only by expressing mere support for the ideas of the 10th session but by energetic efforts to provide a remedy for shortcomings in the criticized branches".

"Extensive changes in the composition of the government have been accepted positively as the population considers them the confirmation of justified criticism. However, the people will not judge the government by the extent of personnel changes but by the results achieved", Premier Adamec went on to say.

"We are well aware of the complicated situation, we know our task will not be an easy one. I want to stress with full responsibility that the present approaches are no longer adequate. We shall use valuable experiences but we can carry out the restructuring process only through new forms and methods of work", he said.

"The role of the socialist state will further grow within the reconstruction process and in the interest of its realization, especially that of the federal government as the state economic centre", the new Czechoslovak premier further stated.

He said that the administrative and directive system of management gave the green light to narrow interests of the individual ministries. This will have to be overcome. The work of the individual ministries must be judged by the final effect-content of the people with services of all kinds, the quality of goods on the market, citizens' contacts with the authorities, fair approach of state bodies at all levels.

The new federal premier stressed the need to step up regular and informal cooperation with bodies in the republics, requiring equal efforts on both sides, and said that decisions at federal levels must not affect the interests of the republics.

He further said that "the need for intensification and restructuring cast a new light also on the approach to the balancing of the socio-economic level of Slovakia with that of the Czech Socialist Republic".

Wasting, disorders and other negative phenomena must not be idly looked upon. The government cannot be indifferent to poor quality production, to goods lacking in shops, to insufficient supplies of medicines or growing discontent, Ladislav Adamec further said.

He added that the government's work will center on the elaboration of strategic plans, and it is necessary to give up the habit of solving economic questions only from the point of view of one five-year plan or even one single year.

The sphere of economy must be managed economically, he said recalling that many managing links function insufficiently though there are enough instruments, financial ones and others.

"Many things are predetermined by the inadequate economic structure, the investments policy pursued so far, by routine production programs. The surviving organization structures, methods of management and ways of thinking tie up our hands. We shall not create a new economy in a day, nor shall we get rid of many remnants of the past. However, there is much we can do, we have enough means to alter the situation. It will naturally not occur immediately and at once...it will not be without obstacles and conflicts", Ladislav Adamec said.

In the debate, the individual members of the federal government supported Ladislav Adamec's address, appreciating its frankness, concrete and rational character. They backed the proposed forms of work and stressed the need to concentrate on the main problems in society and on their comprehensive solution in close coordination with the Communist Party, state and economic bodies, and the organizations of the National Front.

Biographies of Kincl, Stejskal, Algayer, Podlena
LD1310050888 Prague Domestic Service in Czech 1730 GMT 12 Oct 88

[Excerpts] We now present the biographies of the premier, deputy premiers, and newly appointed federal government ministers. [passage omitted] Frantisek Kincl, the federal minister of the interior, was born in 1941 in Ricany near Brno. He has been a CPCZ member since 1966. He has worked in various political posts—he has been a member of the regional party committee in Ostrava, and is a deputy of the Czech National Council. Since 1965, Frantisek Kincl has been a member of the National Security Corps. From 1979 to 1988 he was head of the regional administration of the National Security Corps in Ostrava, and his latest post was federal deputy minister of the interior. He has been awarded the medals "For Service to the Homeland," "For Merit in Defense of the Homeland," and "For Merit in Protecting the Borders of the Republic," and also holds the state distinction "For outstanding work."

Jan Stejskal, the federal minister of finance, was born in 1933 in Mokrosuky, Klatovy district. He has been a member of the CPCZ since 1953. From 1971 to 1975 he worked at the International Bank for International Cooperation in Moscow, and from 1975 to 1979 he was a political worker for the party Central Committee. Since 1981 he has been chairman of the Czechoslovak State Bank. Jan Stejskal has worked in various youth, trade union, and party posts, and is currently a member of the party Central Committee's Economic Commission, a member of the CPCZ Central Control and Audit Commission, a member of the Czechoslovak People's Control Committee, and a member of the State Planning Commission. His political and work commitment have been rewarded with the Order of Labor.

Antonin Krumniki, the minister of fuel and power, was born in 1941 in Plzen. He has been a CPCZ member since 1959. He is a professor in the scientific field of deep coal extraction and a leading expert and distinguished scientist in this scientific field. He worked for many years in the youth movement, and has been a member of the Central Committee of the Socialist Youth Union and of its Presidium. He has carried out a wide variety of party duties. His work and political activity has been recognized by the state distinction "For Merit in Construction."

Jaromir Algayer, the federal minister of agriculture and food, was born in 1935 in Puste Ulany, Galanta district. He has been a CPCZ member since 1959. From 1975 to 1986 he was director of the regional agricultural board in Bratislava. In 1986 he was elected chairman of the West Slovakia Regional National Committee. He has worked in many party posts as a member of the district agricultural commission and of the regional CPSL committee. He is a member of the CPSL Central Committee and of the West Slovakia Regional CPSL Committee and of its Presidium. Since 1986 he has been a deputy of the Slovak National Council. Jaromir Algayer's work and political achievements have been recognized by the distinctions "For Outstanding Work" and the Order of Labor.

Frantisek Podlena, the minister of transport and communications, was born in 1940 in Zupanovice, Pribram district,. He has been a CPCZ member since 1959. From 1971 he worked first as a political worker in the Decin District Party Committee, and later as a secretary of that committee as well as head of the North Bohemian Regional Party Committee's department for party work in industry. From 1983 to 1985 he was deputy chairman of the North Bohemian Regional National Committee. From 1985 up to the present he has been deputy head of a department of the party Central Committee. Since his youth, Frantisek Podlena has taken an active part in political life. He holds the state distinction "For Outstanding Work."

Jakes Chairs Regional Party Secretaries Meeting

LD0710160688 Prague Domestic Service in Czech 1500 GMT 07 Oct 88

[Text] A national-level meeting of leading secretaries of the party committees of regions and Prague and Bratislava city was held today in Prague, under the chairmanship of Milos Jakes, general secretary of the CPCZ Central Committee. At the meeting, the leading secretaries were briefed on the results of the deliberations of the Presidium of the party Central Committee on 5 and 7 October, which dealt with the agenda and organizational and cadre preparations for the 10th session of the party Central Committee.

Attending the meeting were members and candidate members of the Presidium of the party Central Committee, the chairman of the Central Control and Audit Commission, and members of the Secretariat of the party Central Committee.

Lenart Addresses N. Bohemia Conference

LD1310052688 Prague Domestic Service in Slovak 1700 Gmt 12 Oct 88

[Text] A North Bohemian regional conference of party, state, and economic officials on topical tasks of implementing the state plan and applying the principles of restructuring the economic mechanism was addressed by Jozef Lenart, member of the Presidium and secretary of the party Central Committee. He emphasized the importance of man in the process of restructuring and democratizing society, noting that it was the mobilization of the people which could help to eradicate contradictions between words and deeds.

In discussing the current national economic problems, he described the complacency, inertia, and pessimism being demonstrated by some strata of the population as harmful. Jozef Lenart highlighted the need for methods of criticism and for subsequently seeking solutions.

Slovak Government Discusses Environmental Issues

AU0710154088 Bratislava PRAVDA in Slovak 5 Oct 88 p 1

[CTK report: "Slovak SR Government Confers"]

[Excerpt] Bratislava—The Government of the Slovak SR discussed at its session yesterday [4 October] the topical issues of environmental development and protection in connection with the construction and operation of the Gabcikovo-Nagymaros hydroelectric system on the Danube.

The government emphatically underscored that the basic measures providing for ecological equilibrium (which have been adopted by party and state agencies) must be consistently implemented. At the same time it issued the instruction that all the latest knowledge should be operatively and continuously incorporated in the realization of this entire significant scheme, so as to establish prerequisites for its optimal ecological and economic utilization. The government appraised the results attained during the many years of intensive international cooperation of the science academies of the CSSR and the Hungarian People's Republic in studying the effects of hydroelectric projects on ground and subterranean water and on soil moisture levels and the development of its properties, and in studying their expected impact on the surrounding environment. At the same time the government committed the appropriate ministries to devote increased attention to these problems (in collaboration with scientific institutions) and to comprehensively acquaint the public with the economic and social significance of this construction project and inform it about the steps being undertaken to protect the countryside and the flora and fauna on the affected territory.

Proceeding from the present situation in the domestic market, the government adopted specific measures for increasing deliveries to the market funds (particularly of textiles, footwear, meat and meat products, and other commodities in short supply). It committed the delivery branches to fulfill their deliveries over and above the provisions of the state plan, while fully adhering to the distribution discipline, and to import as soon as possible such commodities as freezers, freezer-refrigerator units, selected electric appliances, passenger cars, etc.

In connection with its evaluation of the situation in the domestic market, the government also took note of the first knowledge acquired in the experimental tests of the new management mechanism in our domestic trade, in consumer cooperatives, and in public catering. [passage omitted]

Further Details on New Agriculture Tax

AU1110100988 Bratislava ROLNICKE NOVINY in Slovak 5 Oct 88 pp 1, 2

["MW"-signed report: "Changes in the System of Levies and Taxes"]

[Excerpts] Prague—Yesterday one of the regular news conferences chaired by Miroslav Pavel, head of the CSSR Government Press Section, was held in the building of the Office of the CSSR Government Presidium in Prague. The main items on the agenda were amendments to the laws on payments to the state budget, on the income tax, and on agricultural tax, which will go into effect next year. [passage omitted] The chief aim of the amendment to the law on the agricultural tax is to unify and bring closer together the tax system for all organizations active in agricultural production, agricultural services, and the food industry. In drafting the land tax, use was made, above all, of a new valuation of soil and its categorization into 42 production-economic groups. For groups 1 through 22, the tax rate is staggered between Kcs150 and Kcs3,000 per hectare of agricultural land. All the remaining categories will be subsidized. All plots that are used by budget-funded organizations will be exempt from the tax. The tax on the volume of wages and remuneration, which will take effect in January, will apply to all organizations of the agricultural-food complex, food industry organizations under the jurisdiction of national committees, military forests and farms, state economic organizations, and organizations of agricultural production and agricultural services. The rate of the profit tax will be uniform for all organizations—50 percent from the tax base.

The changes that will take effect at the start of next year also concern taxes levied on citizens' income from agricultural production; the rate of this tax will be within the range of 10 to 60 percent. To encourage small growers' and breeders' interest in supplementary agricultural production, the tax base for all of these will be lowered by Kcs6,000, and no tax will be levied on supplementary production that does not exceed the sum of Kcs100.

Daily Warns Against Mixing Politics, Religion

AU0410114088 Prague RUDE PRAVO in Czech 30 Sep 88 p 2

[Jaroslav Kojzar article: "A Pilgrimage Is a Very Special Journey...; Religious Events Are Not, Should Not Become Places for Political Confrontations"]

[Excerpts] People have been going on pilgrimages for centuries; they used to be the most significant of all Christian, Islamic, and Hindu events. [passage omitted]

Recently, the representatives of so-called unofficial church structures have been attempting (in close cooperation with certain clerical activists) to misuse pilgrimages to disrupt relations between the Czechoslovak state and the Catholic Church. They have been striving to organize groups of people which would appear with antistate slogans. However, most of the believers and other participants in these events have refused to join these plans. In the spirit of Cardinal Tomasek's thought that "a pilgrimage is a very special journey" which is not to be undertaken with "loud march music and in national costumes," and that its purpose is to express "thanks, conciliation, and supplication," they disassociate themselves from people who are seeking a confrontation.

It is quite clear what the organizers of such attempts are concerned with; in fact, their purpose is attested to by such radio stations as the Voice of America, Radio Free Europe, and so forth. This purpose is to evoke tension and to set demands aimed at restoring the influence of political clericalism.

In our country, faith is the believer's private affair (in fact, this is guaranteed by the Constitution). It is practiced in certain places, such as churches and chapels, or else at places of pilgrimage. However, it must no longer be a political force serving, as it did in the past, to suppress people belonging to another faith or people without a faith, in the interests of the representatives of a specific church.

It is not easy to learn to be tolerant toward other views. However, without tolerance there can be no understanding. Luckily, the majority of our believers and of the clergy have grasped this truth. They, too, obviously bear part of the responsibility for preventing pilgrimages and masses from being abused for disruptive plans. A religious event is not, and must not, become a place for political confrontations.

Funds for Foreign Travel To Increase

AU1210130888 Prague PRACE in Czech 11 Oct 88 pp 1,4

[Interview with Eng Jan Stejskal, chairman of the Czechoslovak State Bank, by Karel Haimann: "Reinforcing the Role of the Koruna;" date and place not given]

[Excerpts] [Passage omitted] [Haimann] What are the prospects for the convertibility of the Czechoslovak koruna?

[Stejskal] The transition to the convertibility of our currency is one of the longer-term targets of the restructuring of the system of our economic management, a target for which the necessary conditions must be created in the national economy and in its performance. It requires, above all, the production of high-quality goods with high technical standards that can hold their own and gain a market share in the keenly competitive foreign markets. Changes in the planning, price, financial, and monetary sectors are also necessary. It is mainly a question of a realistic and objective exchange rate. The introduction of convertibility is a process that will take place in stages. The first stage will be the so-called internal convertibility of the koruna in relation to freely convertible currencies, which would allow Czechoslovak enterprises to purchase and sell foreign exchange resources on a certain scale. This is why the introduction of a system of enterprises' self-financing in foreign exchange is being planned for 1 January 1989, as well as the introduction of a limited foreign exchange market. Measures concerning the convertibility of CEMA currencies are in the works. Agreements have recently been signed between the CSSR and the USSR and between the CSSR and the Bulgarian People's Republic on the use of national currencies in the system of mutual payments in the development of direct links and joint enterprises. This concerns both the convertibility of the socialist countries' national currencies between themselves and their convertibility in relation to the transferable ruble. In other words, I regard the prospect of the convertibility of the koruna as something desirable and realistic. We have begun to take the first steps in this direction. [passage omitted]

[Haimann] What measures are being planned regarding allocations of foreign exchange for traveling abroad?

[Stejskal] Our bank's data show that the number of applicants for allocations of foreign exchange for travel to nonsocialist countries reached 180,000 this year. The ceiling that has been set by central agencies according to the possibilities of the balance of payments allows us to satisfy about 20 percent of applicants. That is why measures are currently being studied that would allow applicants to travel to nonsocialist countries once every 3 years. According to our estimates, this will require increasing the volume of foreign exchange funds set aside for this purpose at least fivefold. Additional resources are being sought in the foreign exchange plan to cover this increased demand for individual travel to nonsocialist countries.

PRC's Yao Yilin, Delegation Arrive 13 Oct

LD1310123488 Prague CTK in English
1150 GMT 13 Oct 88

[Text] Prague Oct 13 (CTK)—A Chinese Government delegation, led by member of the Standing Committee of the Politburo of the Chinese Communist Party Central Committee, Deputy Chairman of the State Council and Chairman of the State Planning Commission Yao Yilin, arrived here for a visit today at the invitation of the Czechoslovak Government.

The Chinese guests were welcomed by Czechoslovak First Deputy Premier and Chairman of the State Planning Commission Bohumil Urban.

Yao Yilin Meets With Urban

LD1310175988 Prague CTK in English
1559 GMT 13 Oct 88

[Text] Prague Oct 13 (CTK) - A Czechoslovak delegation, led by First Deputy Premier and Chairman of the State Planning Commission Bohumil Urban, and a Chinese Government delegation, headed by Communist Party Politburo Standing Committee member, Deputy Premier and Chairman of the State Planning Commission Yao Yilin opened talks here today.

They exchanged information on the intentions and course of economic restructuring in Czechoslovakia and economic reform in China, the role of the central planning bodies in these processes, economic management and national economic planning in the new conditions.

Other topics included the two countries' ideas about their long-term cooperation in the macroeconomic sphere with a view to their potentials, as well as the tasks of the central planning bodies in the implementation of the Sino-Czechoslovak agreement on the basic directions of long-term economic and scientific-technological cooperation of last May.

Zhou Peiyuan, PRC Delegation Conclude Visit

LD1110212988 Prague CTK in English
1604 GMT 11 Oct 88

[Text] Prague Oct 11 (CTK)—The course and results of the eight-day official visit of a delegation of the National Committee of the Chinese People's Political Consultative Conference to Czechoslovakia were appreciated by head of the delegation Zhou Peiyuan, deputy chairman of the committee, in an interview for CTK here today.

The visit took place at the invitation of the Czechoslovak National Front Central Committee.

Zhou Peiyuan appreciated especially the opportunity to meet with General Secretary of the Czechoslovak Communist Party Milos Jakes and stressed that the meeting contributed to a further understanding between China and Czechoslovakia.

He spoke also of the importance of the agreement on cooperation between the Chinese People's Political Consultative Conference and the Czechoslovak National Front. He expressed the conviction that it is possible to

develop concrete contacts in the interest of strengthening socialism and international peace, of a further deepening of Chinese-Czechoslovak friendship and bilaterally beneficial cooperation.

PRC Writers Make First Visit in 25 Years

AU1210100888 Prague RUDE PRAVO in Czech 8 Oct 88 p 2

[Unattributed report in the "Through the World of Culture" column]

[Text] An official delegation of the Union of Chinese Writers, the first in 25 years, started its 14-day stay in the CSSR with a visit to Bratislava on Friday [7 October]. The visit is taking place at the invitation of the Czechoslovak Writers Union within the framework of the agreement on cooperation between the writers' unions of the two countries. The Chinese delegation is led by literary critic Li Zhuobing, member of the Union of Chinese Writers. The same day the guests were received at the headquarters of the Slovak Writers Union by Meritorious Artist Jan Solovic, the union's chairman.

Romanian-Hungarian Polemics on Relations Viewed

AU1010204288 Prague RUDE PRAVO in Czech 6 Oct 88 p 6

[Unattributed report: "NEPSZABADSAG and SCINTEIA: An Exchange of Views"]

[Text] In contravention of the Arad agreements, anti-Romanian actions and manifestations in Hungary continue, the Romanian daily SCIENTEIA wrote in a sharply critical article on Sunday [2 October]. According to the newspaper, tendentious statements by some representatives of the Hungarian People's Republic are seriously damaging good-neighborly relations. As for the concern for the fate of Romanian citizens of Hungarian nationality, SCIENTEIA called it an attempt to legalize interference in internal Romanian affairs. The paper rejected the claim that a joint statement on the question of national minorities had been worked out in Arad. What did take place was merely a discussion on a general Romanian-Hungarian declaration, in which the problem of ethnic minorities could figure in an appropriate way.

On Wednesday [5 October], in an editorial article on Hungarian-Romanian relations, the Hungarian paper NEPSZABADSAG replied to the SCIENTEIA article. It recalled that the Arad meeting raised the hope for the normalization of mutual relations, which would correspond to the goals for which Hungarian policy has striven for years. The paper also mentions that, even prior to the publication of the aforesaid SCIENTEIA article, Romanian organizations and agencies launched a sharp campaign against the reopening of the [Hungarian] consulate in Cluj.

USSR Deputy Foreign Minister Meets Johanes

AU1110100088 Prague RUDE PRAVO in Czech 5 Oct 88 p 2

[Unattributed report in the "By Teletype, Mail, Telephone..." column]

[Text] Jaromir Johanes, first deputy minister of foreign affairs, received Boris Chaplin, USSR deputy minister of foreign affairs, in Prague. They discussed the further intensification of cooperation between the foreign ministries of the two countries, especially in the consular sphere.

Johanes Receives USSR Ambassador for Talks

LD1310162288 Prague Domestic Service in Czech 0500 GMT 13 Oct 88

[Text] Jaromir Johanes, foreign minister, received Viktor Lomakin, USSR ambassador to the CSSR, in Prague yesterday. They exchanged information about current tasks and the work of the Foreign Ministry in the process of restructuring.

The two representatives discussed the further development of fraternal CSSR-USSR relations and foreign political cooperation by both countries to reinforce the positive trends in international relations and to reinforce international peace and security.

Soviet Public Said To Welcome Changes in CPSU

AU0710094088 Bratislava PRAVDA in Slovak 3 Oct 88 p 4

[Vladimir Jancura Poltava dispatch: "People Want Changes; the Public Responds With Understanding to the Resolutions of the CPSU Central Committee Session"]

[Excerpts] I heard the report on the session of the CPSU Central Committee on my way to Poltava Oblast. In Czechoslovakia, this chernozem region is known as the granary of the Ukraine, although Kremenchug and Poltava itself are important industrial and cultural centers as well.

How have the party aktiv and the general public here responded to the changes in the party leadership? Yesterday I addressed this question to Pavel Matveyenko, secretary of the Poltava Obkom of the Ukrainian Communist Party.

"According to information that is available to us," he replied, "our working people have correctly understood the resolutions of the latest CPSU Central Committee session. As for cadre renewal, they realize its inevitability and, what is more, they themselves demand that it be an integral part of democratization at all levels of management."

In their discussions with me, several people in Poltava drew my attention to one passage from Mikhail Gorbachev's speech of 23 September, in which the highest Soviet representative referred to comrades who are lacking in stamina or are unable to work in current conditions, and are therefore asking to be released from their duties. The general secretary of the CPSU Central Committee urged that their decision should not be dramatized and that such phenomena should be viewed as a natural process and as an opportunity for energetic and competent cadres. [passage omitted]

In conclusion, it is possible to note that the results of the Friday [30 September] session of the CPSU Central Committee and of the Saturday [1 October] session of the USSR Supreme Soviet have met with lively interest in the party organizations and labor collectives here. Communists and all working people expect them to accelerate restructuring and the called-for changes in the socioeconomic development of the country.

Leaders Congratulate GDR on National Day
AU1110151488 Prague RUDE PRAVO in Czech 7 Oct 88 p 1

[CTK report: "Congratulations to the GDR"]

[Text] Prague—Milos Jakes, general secretary of the CPCZ Central Committee; Gustav Husak, CSSR president; and Lubomir Strougal, CSSR premier, have sent Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council; and Willi Stoph, chairman of the GDR Council of Ministers, the following congratulatory telegram on their country's national day—the 39th anniversary of the founding of the GDR:

Dear Comrades: On behalf of the CPCZ Central Committee, the government and the people of the CSSR, and our own behalf, we send warm greetings and cordial congratulations to you, the SED Central Committee, the State Council, the Council of Ministers, and to all the GDR people on the occasion of the 39th anniversary of the founding of the GDR.

The historic victory of the Soviet Union over Hitlerite fascism in World War II, which brought peace and freedom to many European nations, also created the conditions for the founding of the GDR—the first workers and peasants state on German soil. We value the great successes which the working people of your country have achieved under the SED's leadership on the road of building socialism. In the past 39 years the GDR has become a firm and reliable component of the socialist community. In close cooperation with all socialist states it contributes to the strengthening of socialism and peace in the world.

The GDR has earned broad recognition and international authority for its efforts to strengthen European and international security. The peaceful foreign policy of our countries has also been demonstrated by the joint initiatives for establishing a zone without chemical weapons and a nuclear-free corridor, which are the expression of the vital interest of the CSSR and GDR peoples in strengthening trust, security, and cooperation in Europe.

We are convinced that the traditional friendship and mutual fraternal cooperation which unites our parties, states, and nations will continue to develop successfully and deepen for the benefit of peace, socialism, and progress, and for the well-being of the people of the two countries.

On this important day we wish you, dear comrades, the communists, and all people of the GDR many successes in the construction of the developed socialist society in your beautiful fatherland and in the implementation of the demanding tasks set by the Ninth SED Congress.

Deputy Foreign Minister Receives U.S. Ambassador
AU1110181288 Prague RUDE PRAVO in Czech 8 Oct 88 p 2

[Unattributed report in the "International Contacts" column]

[Text] Jaromir Johanes, first CSSR deputy minister of foreign affairs, received Julian M. Niemczyk, U.S. ambassador to the CSSR, in Prague on Friday [7 October] to discuss some aspects of bilateral relations.

Committee Discusses European Confidence-Building
LD1210184888 Prague CTK in English 1739 GMT 12 Oct 88

[Text] Prague Oct 12 (CTK)—The Czechoslovak Committee for European Security and Cooperation Presidium discussed the present international situation today at a meeting presided over by Chairman Bohuslav Kucera.

Worried by the protracted deliberations at the Vienna follow-up meeting of the Helsinki Final Act signatories, the Presidium called on all participating states to help bring the meeting to an early end and adopt a balanced final document which would create prerequisites for the further development of the all-European process.

The Presidium stressed in particular that the meeting should provide a mandate for future talks on the reduction of armed forces and conventional armament involving ground, air and naval forces from the Atlantic to the Urals, and voiced the hope that these talks would be opened as soon as possible. It also said that is expected Czechoslovakia to be entrusted with the organization of an economic forum, the first event of its kind in the all-European process.

The Presidium members appreciated the results of the recent international forum in Brussels on "new roads to a new Europe," which described as one of these roads the Czechoslovak proposal to create a zone of confidence, cooperation and good neighbourly relations on line dividing the NATO and Warsaw Treaty states.

Leaders' Public Appearances for 29 Sep-5 Oct

AU0710183388 [Editorial Report] Prague RUDE PRAVO in Czech and Bratislava PRAVDA in Slovak from 30 September to 6 October report the following public appearances of CSSR leaders (source, date, and page number in parentheses):

Bohuslav Chnoupek, CSSR minister of foreign affairs, met with his Cypriot counterpart, Yeoryios Iakovou, in New York on 28 September. (RUDE PRAVO 30 Sep 88 p 6)

Milos Jakes, CPCZ Central Committee general secretary; Ladislav Adamec, CPCZ Central Committee Presidium member and Czech premier; Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee; and Frantisek Hanus, CPCZ Central Committee secretary, attended a reception given by Wang Xingda, PRC ambassador, in honor of the PRC's national day in Prague on 29 September. (RUDE PRAVO 30 Sep 88 p 1)

Milan Vaclavik, CSSR minister of national defense, was among those present when Milos Jakes received a delegation of the GDR National People's Army headed by Army General Heinz Kessler, GDR minister for national defense, in Prague on 29 September.

Milan Vaclavik was also present when Gustav Husak, CPCZ Central Committee Presidium member and CSSR president, received the GDR Army delegation in Prague the same day. (RUDE PRAVO 30 Sep 88 p 1)

Vasil Bilak received Josef Havlin, CSSR ambassador to Poland, in connection with the latter's taking up his post, in Prague on 29 September. (RUDE PRAVO 30 Sep 88 p 1)

Frantisek Pitra, member of the Presidium and secretary of the CPCZ Central Committee, attended and addressed a session of the Central Bohemian CPCZ Regional Committee in Kladno on 29 September. (RUDE PRAVO 30 Sep 88 p 2)

Miroslav Zavadil, candidate member of the CPCZ Central Committee Presidium and chairman of the Central Trade Union Council, visited the Kaucuk enterprise in Kralupy on 29 September. (RUDE PRAVO 30 Sep 88 p 2)

Bohuslav Chnoupek presented the "Leos Janacek and Bedrich Smetana Medal" to Czech-born opera singer I. Synkova-Grafova in New York on 29 September. (RUDE PRAVO 1 Oct 88 p 2)

Gustav Husak received Vaclav Jumr, the newly appointed CSSR ambassador to Zimbabwe, in connection with the latter's taking up his post, in Prague on 30 September. (RUDE PRAVO 1 Oct 88 p 1)

Jozef Lenart, member of the Presidium and secretary of the CPCZ Central Committee, accompanied by Peter Colotka, CPCZ Central Committee Presidium member and Slovak premier, paid a visit to the construction site of the Gabcikovo-Nagymaros hydroelectric project on 1 October. (RUDE PRAVO 3 Oct 88 p 1)

Peter Colotka received a delegation of the General Union of Syrian Women in Bratislava on 1 October. (RUDE PRAVO 3 Oct 88 p 2)

Milan Vaclavik attended celebrations of Czechoslovak People's Army Day in Prague on 2 October. (RUDE PRAVO 3 Oct 88 p 2)

Peter Colotka received Klaus Wedemeier, chairman of the Bremen Senate and mayor of the city of Bremen, in Bratislava on 3 October. (PRAVDA 4 Oct 88 p 1)

Frantisek Pitra, candidate member of the Presidium and secretary of the CPCZ Central Committee, attended a meeting on restructuring in agriculture in Ceske Budejovice on 3 October. (PRAVDA 4 Oct 88 p 2)

Miroslav Zavadil held talks with a delegation of the Central Council of Hungarian Trade Unions [SZOT] headed by SZOT General Secretary Sandor Nagy, in Prague on 3 October. (RUDE PRAVO 4 Oct 88 p 2)

Vasil Bilak received Tadeusz Sawic, head of a PZPR Central Committee department, in Prague on 4 October. (RUDE PRAVO 5 Oct 88 p 1)

Ignac Janak, member of ther CPCZ Central Committee Presidium and first secretary of the CPSL Central Committee, attended and addressed a working meeting of party secretaries in Bratislava on 4 October. (RUDE PRAVO 5 Oct 88 p 2)

Josef Kempny, member of the CPCZ Central Committee Presidium, presented medals "For Service to the Fatherland" to meritorious members and activists of various organizations, in Prague on 4 October. (RUDE PRAVO 5 Oct 88 p 2)

Milan Vaclavik met with media representatives on the occasion of Czechoslovak People's Army [CSLA] Day in Prague on 4 October. (RUDE PRAVO 5 Oct 88 p 2)

Ladislav Adamec presided over a joint meeting of the Presidium of the Government of the Czech SR and the Secretariat of the Central Trade Union Council in Prague on 4 October. (RUDE PRAVO 5 Oct 88 p 2)

Peter Colotka attended and addressed the eighth session of the Slovak Trade Union Council in Bratislava on 4 October. (PRAVDA 5 Oct 88 p 1)

Milan Vaclavik gave a reception on the occasion of CSLA Day, which was attended, among others, by Milos Jakes, Gustav Husak, Ladislav Adamec, Josef Haman, candidate member of the CPCZ Central Committee Presidium; and Mikulas Beno and Frantisek Hanus, CPCZ Central Committee secretaries, in Prague on 5 October. (RUDE PRAVO 6 Oct 88 p 1)

Milan Vaclavik, at the head of a CSLA delegation and accompanied by Vratislav Vajnar, CSSR minister of interior, paid tribute to the memory of fallen Soviet soldiers at Olsany Cemetery in Prague on 5 October. (RUDE PRAVO 6 Oct 88 p 2)

Milan Vaclavik promoted Lieutenant General Josef Marusiak, chief of CSSR Civil Defense, to colonel general; and Major General Jan Cadek to lieutenant general and deputy chief of the CSLA General Staff, in Prague on 5 October. (RUDE PRAVO 6 Oct 88 p 2)

Milan Vaclavik presented the "Vit Nejedly Prize" to various writers and artists' ensembles, in Prague on 5 October. (RUDE PRAVO 6 Oct 88 p 2)

Vasil Bilak attended a reception given by the GDR ambassador in honor of GDR National Day, in Prague on 5 October. (RUDE PRAVO 6 Oct 88 p 1)

More on Official Visit by Mongolia's Batmonh

Meets With Honecker

LD1310203988 East Berlin ADN International Service in German 1807 GMT 13 Oct 88

[Text] Berlin (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, and Jambyn Batmonh, general secretary of the Central Committee of the Mongolian People's Revolutionary Party and chairman of the Presidium of the People's Great Hural of the People's Republic of Mongolia, continued their official talks this afternoon in the Central Committee building and concluded them successfully.

During the friendly exchange of views on the solution of the demanding domestic and foreign policy tasks of both countries, Erich Honecker gave information on the further development of socialist society in the GDR. The general secretary stressed with regard to the SED program that this is a historic process of far-reaching political, economic, social, and spiritual-cultural changes.

The party is concerned to demonstrate solutions, in accordance with national conditions, in the response to questions newly thrown up again and again by life, in order to consistently advance the unity of economic and social policy. It will thereby never lose sight of the fact that the tasks can only be mastered with the people and for the people. It is important at all times to safeguard an atmosphere of trust, social security, and safety. Great restructurings have been realized in the country since the eighth party congress (1971), and the handing over of the 3 millionth flat on Wednesday to a worker's family in Berlin underlines this successful development.

The general secretaries agreed that the GDR and the Mongolia will contribute most effectively to the struggle for peace and disarmament by further strengthening socialism. The comradely cooperation and the lively exchange of experience between the fraternal countries acquires growing importance thereby.

To conclude, Erich Honecker and Jambyn Batmonh affirmed their will to further expand cooperation in all areas, in particular in the economic field, for which the program of economic and scientific-technical cooperation to the year 2000 is a good foundation.

Both statesmen assessed the official friendship visit of Jambyn Batmonh as a high point in the constantly developing fraternal relations between both parties, states, and peoples. They expressed the conviction that the visit will contribute to further strengthening the fraternal links between the GDR and the People's Republic of Mongolia.

Jambyn Batmonh gave thanks for the warm hospitality and invited Erich Honecker for a friendship visit to Mongolia. The invitation was accepted with thanks.

Batmonh Ends Visit

LD1310175588 East Berlin ADN International Service in German 1642 GMT 13 Oct 88

[Text] Berlin (ADN)—The general secretary of the MPRP Central Committee and chairman of the Presidium of the People's Great Hural of the People's Republic of Mongolia, Jambyn Batmonh, concluded his official friendship visit to the GDR today.

In the afternoon he was warmly bade farewell by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR's Council of State.

Further members of the party and state leadership were at the Berlin-Schoenefeld Airport for the departure of the Mongolian representative and the public figures accompanying him. A military ceremony took place in honor of Jambyn Batmonh.

Further Reportage on Honecker's Visit to Spain

Madrid Welcome Described

AU0610103788 East Berlin NEUES DEUTSCHLAND in German 4 Oct 88 p 3

[Report by correspondents Werner Micke, Reiner Oschmann, and Guenter Stechow: "Guardsmen and Lancers Paraded"]

[Excerpts] The special Interflug plane arrived around 1100 [on 3 October] at Madrid-Barajas Airport, where the state flags of the GDR and Spain were displayed. Beginning at the border of the host country, the IL 62 M was escorted by four Spanish Air Force fighter aircraft.

At the gangway Erich Honecker and those accompanying him were welcomed by Francisco Fernandez Ordonez, minister of foreign affairs of the Kingdom of Spain; Alonso Alvarez de Toledo, Spanish ambassador to the GDR; Luis Delgado, captain general of the First Air District; and Francisco Garcia Guion, director of the Madrid-Barajas Airport. Employees of the GDR Embassy greeted Erich Honecker in the airport's VIP room. Young Pioneers presented flowers to Erich Honecker.

Afterwards the guests were taken to the El Pardo Palace by helicopter. [passage omitted]

With the sun shining brilliantly, King Juan Carlos I awaited his guest in front of the palace. The guest's car, escorted by 21 motorcycles, drove through a lane of lancers in historical blue-white-red uniforms to a platform where the monarch received Erich Honecker. Juan Carlos I welcomed the GDR head of state with words of friendly welcome, for which the guest expressed cordial thanks. [passage omitted]

Juan Carlos I introduced the Spanish personages present at the welcoming ceremony to Erich Honecker: Felipe Gonzalez, Felix Pons, Francisco Fernandez Ordonez, Ana Tutor, government delegates of the Madrid region, generals of the Spanish Armed Forces, and other important figures.

Subsequently Erich Honecker presented the members of his official entourage to the king. [passage omitted] In the courtyard of the palace a first friendly talk between Erich Honecker, the king, and the head of government took place.

King Juan Carlos I accompanied Erich Honecker into the building, where the general secretary of the SED Central Committee and chairman of the GDR State Council will reside during his state visit. After being welcomed by the staff of the El Pardo Palace, both heads of states went to the reception hall, where the king took his leave. [passage omitted]

Upon departure from the GDR, Erich Honecker was seen off at Berlin-Schoenefeld Airport by Willi Stoph, chairman of the GDR Council of Ministers; Horst Sindermann, president of the People's Chamber; Politburo members Hermann Axen, Joachim Herrmann, Heinz Kessler, Egon Krenz, and Erich Mielke; Guenther Maleuda, deputy Chairman of the GDR State Council, and Deputy Council of Ministers chairmen Manfred Flegel and Wolfgang Rauchfuss. Also present was Alvaro de Noriega y de Zulueta, charge d'affairs ad interim of the Kingdom of Spain in the GDR.

Honecker Bids Farewell in Madrid

LD0510140888 East Berlin ADN International Service in German 1132 GMT 5 Oct 88

[Excerpts] Madrid, 5 Oct (ADN)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR's Council of State, was this morning given a cordial send off at the conclusion of his state visit to the Kingdom of Spain by King Juan Carlos I in Madrid. [passage omitted]

Present were the members of Erich Honecker's official entourage: member of the Politburo, secretary of the SED Central Committee, deputy chairman of the Council of State Guenter Mittag; Minister for Foreign Affairs Oskar Fischer; Minister for Foreign Trade Gerhard Beil; the director of the International Relations Department in the SED Central Committee Guenter Sieber; the head of the chairman of the Council of State's Chancery, state secretary Frank-Joachim Herrmann, and the GDR's extraordinary and plenipotentiary ambassador to the Kingdom of Spain, Harry Spindler. [passaage omitted]

Juan Carlos I said a very cordial farewell to Erich Honecker at the car which took the guest to the helicopter pad. During this he expressed the expectation that he would soon be able to take up the invitation to a visit to the GDR. The chairman of the GDR's Council of State expressed his satisfaction with the results of this visit to the Kingdom of Spain. [passage omitted]

Leaves Madrid for Barcelona

LD0510110788 East Berlin ADN International Service in German 0920 GMT 05 Oct 88

[Text] Madrid, 5 Oct (ADN)—Eric Honecker, general secretary of the SED Central Committee and chairman of the GDR's Council of State, was this morning officially seen off by King Juan Carlos I at the conclusion his state visit to the Kingdom of Spain. During this a military ceremony took place at the Pardo Palace, the official residence in Madrid of the GDR's head of state. Afterwards Erich Honecker and his entourage boarded an Interflug special plane in which they flew to the Spanish industrial and port city of Barcelona.

Arrives in Barcelona

LD0510124288 East Berlin ADN International Service in German 1127 GMT 5 Oct 88

[Excerpt] Barcelona, 5 Oct (ADN)—This afternoon Erich Honecker arrived in Barcelona, capital of Catalonia. At the airport the GDR head of state and his entourage were given a friendly welcome by leading representatives of the region and the Kingdom of Spain's second largest city as well as by high-ranking members of the military and leading officials.

Immediately after his arrival in Barcelona Erich Honecker went to the cemetery for fallen Spanish republicans and members of the interbrigades at Montjuich cemetery on the edge of the town. [passage omitted]

Ends Visit to Spain

LD0510164988 East Berlin ADN International Service in German 1607 GMT 5 Oct 88

[Text] Barcelona 5 Oct (ADN)—Erich Honecker ended his 3-day state visit to the Kingdom of Spain this afternoon and began the journey home from Barcelona.

At the airport of the industrial city and port he and the public figures accompanying him were warmly bidden farewell by Jordi Pujol, president of the Catalonia Government, and by other representatives of the region and the city.

Sends Telegram to King

AU0710135088 East Berlin NEUES DEUTSCHLAND in German 6 Oct 88 p 1

[Telegram by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, to King Juan Carlos I, on leaving Spanish territory: "Thanks for Hospitality; Telegram Sent From the Plane to King Juan Carlos I"]

[Text] To His Majesty
Juan Carlos I
King of Spain

Upon leaving the Kingdom of Spain, I would like to again thank you, your Majesty, and Queen Sofia very cordially for the hospitality granted to me and my entourage.

I am convinced that our meetings will give lasting stimuli to the future development of relations between the GDR and the Kingdom of Spain, and that they will contribute to consolidating detente, to confidence-building, and to stability on our continent.

Please accept my best wishes for your personal well-being, for the well-being of Queen Sofia, and for a happy and peaceful future of your country.

Erich Honecker,

General secretary of the SED Central Committee and chairman of the GDR State Council.

Daily Views Visit

AU0510123688 Duesseldorf HANDELSBLATT in German 5 Oct 88 p 2

[Hermann-Josef Knipper commentary: "Bridge to Brussels"]

[Text] There is no Spanish translation for the term "Ostpolitik," which is currently being discussed by everybody. This deficiency is only a sign that Spain's relations with the Warsaw Pact states cannot be assessed as good or bad just because they do not go beyond the extent that is prescribed by the protocol.

GDR state and party chief Erich Honecker, who started a 3-day visit to Spain on Monday [3 October], is trying to change that. It is true that Honecker is also interested in improving bilateral political and cultural cooperation, in expanding the international recognition of the GDR. But it is economic-political issues that top his agenda: The annual trade exchange does not even reach $100 million and should be put on a broader basis. This is also in Madrid's interest because the GDR has for 2 years achieved a sizeable surplus in the bilateral trade balance.

Honecker may attach even more importance to the fact that Spain will assume the EC Council Presidency for 6 months in January 1989. The GDR wants to conclude a trade contract with the EC, similar to the one that Hungary successfully concluded, and hopes that Spain will support its efforts. It remains to be seen to what extent Gonzales, the Spanish head of Government, will accommodate Honecker.

Sindermann Meets European Parliament President

LD1310163488 East Berlin ADN International Service in German 1300 GMT 13 Oct 88

[Text] Strasbourg (ADN)—The president of the GDR People's Chamber, Horst Sindermann, member of the SED Central Committee Politburo, met the president of the European Parliament, Lord Plumb, this morning at the start of the 2d day of his visit to Strasbourg. Lord Plumb welcomed the president of the GDR's parliament and the personages accompanying him cordially on behalf of this parliamentary assembly of the 12 EEC countries. He expressed his pleasure at the recent normalization of relations between the CEMA and the EEC and the taking up of diplomatic relations between the EEC on the one hand, and the GDR and a series of other CEMA countries on the other.

Lord Plumb stressed that in the interests of extending relations it is now a matter of consolidating trust and thus creating the best conditions for concrete results.

Horst Sindermann reasserted that personal contacts, open dialogue and constructive exchanges of opinions create a favorable climate for solving many questions of detail which now arise in tangible cooperation. It is not only a matter of extending trade but also of comprehensive and intensive cooperation by all states on this continent who want to live together peacefully in their common European home. The course of his visit so far has given him the impression that there is good will to this end on both sides and that fills him with confidence.

Lord Plumb pointed to the creation of a sigle EEC market planned for 1992. That, he stressed should not lead to a system which is self-contained. Rather the EEC states want to share the advantages arising from this in the political and economic areas through mutually advantageous cooperation with all other states. Horst Sindermann took up this thought and underlined that detente, normalization, and intensification of the multifarious relations between East and West in Europe is of extraordinary significance because Europe bears great responsibility for the entire world.

Civil Rights Campaigner Prevented From Leaving

LD0910185388 Hamburg DPA in German 1712 GMT 9 Oct 88

[Text] Berlin (DPA)—GDR officials have prevented the East Berlin artist and civil rights campaigner Baerbel Bohley, who had returned from a stay in England at the beginning of August, from travelling to Prague. According to informed sources in Berlin today, Frau Bohley had already gone through all passport and customs controls late on Friday afternoon at the East Berlin Schoenefeld Airport when she was told that she was not allowed to leave the GDR.

Bohley had been arrested on 25 January together with other civil rights campaigners. At the beginning of February, GDR officials allowed her to travel to England for a study visit lasting several months. She returned to the GDR via Prague.

80 Detained Under Public Order Rule, Released

LD1010212888 East Berlin ADN International Service in German 2020 GMT 10 Oct 88

[Text] Berlin (ADN)—This afternoon in the Berlin borough of Mitte a group of about 80 persons, who were acting against state regulations for public order, had their identities checked by members of the People's Police. After being temporarily detained all of them were released with a warning.

East Berlin Police Arrest Church Demonstrators

LD1010203688 Hamburg DPA in German 1652 GMT 10 Oct 88

[Excerpt] East Berlin (DPA)—This afternoon in East Berlin, more than 50 people were arrested during an attempted demonstration against repeated state censorship of Protestant Church papers. They were taken away in four trucks and a bus belonging to the GDR police. After a meeting of around 200 participants in a church hall close to the consistory of the Berlin-Brandenburg Church, a "silent march" was commenced to the GDR Government's press office.

The column was stopped after 200 meters by plain clothes and uniformed security forces near Spittelmarket underground station. After more than a dozen people had been led away—some of them with considerable use of force—other participants tried in vain to secure their release. [passage omitted]

Church Papers Affected by Censorship

AU1210114488 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 12 Oct 88 p 2

["zba" article: "Pressure on the Church Is Mounting"]

[Text] Magdeburg, 11 October—State pressure on the churches in the GDR is increasing. Publication of the latest edition of a church paper was again prevented because of censorship measures by the state. After 1 week of negotiations with the GDR censorship authorities, the editors in chief of the MECKLENBURGISCHE KIRCHENZEITUNG finally decided not to print issue number 40, which was to have been published on 2 October. According to information from church circles, neither the editors in chief nor the Mecklenburg church leadership were ready to accept the demands of the censorship office, which called for the multilation of the paper's second report on the synod of the GDR Church Federation held in Dessau in the middle of September. Informed circles have reported that the censors also demanded changes in the issue of the MECKLENBURGISCHE KIRCHENZEITUNG that was to have been published last weekend. It is still unclear whether it will be possible to publish this edition with a delay.

During an official talk on the sidelines of the ecumenical meeting of the 19 Christian Churches in Magdeburg, state representatives accused the church in the GDR of "promoting the work of the West." Western media "are trying to drive a wedge between the GDR and the Soviet Union," they pointed out to the church representatives. The state will "fight this with all possible means," they stressed.

Church Expects Changes in SED Leadership

AU1210113688 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 12 Oct 88 p 2

[Karl-Heinz Baum article: "The GDR Church Expects Changes Within the SED Leadership"]

[Text] Berlin, 11 October—Manfred Stolpe, deputy chairman of the Federation of Evangelical Churches in the GDR and president of the Consistory of the Evangelical Church in Berlin-Brandenburg, spoke of upcoming changes within the SED leadership at a church event on Monday afternoon [10 October—FBIS]. Stolpe is considered the church representative who is best informed on political developments in the GDR. Within the Church Federation, he is responsible for church - state relations.

Stolpe said in East Berlin that the church is currently receiving hints that by the end of the year "things will be quite different" regarding individual persons. A routine meeting of the SED Central Committee is scheduled for the end of November or the beginning of December, during which personal changes are usually announced if there are any. Stolpe also spoke of a "struggle within the power apparatus over the future course," which can only mean that advocates and opponents of the Gorbachev course of restructuring, renewal, and openness in East Berlin are more or less irreconcilably divided. The church representative stated that this struggle within the power apparatus is the reason for the current problems of GDR churches. The leadership is looking for a hostile image: In the struggle against the church, the SED is only waging a war-by-proxy, he pointed out. The church believes that it is being "misused," that it is exploited to prepare the ground for changes in the leadership, Stolpe stated in East Berlin.

Article Views 'Controversy' Over SED Congress

AU1110145388 Hamburg DIE WELT in German 8-9 Oct 88 p 4

["W.K." article: "Controversy Among SED Over Party Congress"]

[Text] Berlin—SED officials have rejected the discussion about holding the party congress earlier than scheduled in 1991 as not being expedient. "Inevitable questions

concerning the position of Erich Honecker," would arise, East Berlin sources have stated. However, reports have admitted that controversies in this respect have emerged in the leading bodies. A decision is expected to be taken by the fall plenary session of the SED Central Committee. In addition, the convening of an economic conference was proposed.

More on National Day Festivities, Greetings

Honecker Promotes Military Officers

AU1110141788 East Berlin NEUES DEUTSCHLAND in German 8-9 Oct 88 p 2

[Text] East Berlin (ADN)—On the occasion of the 39th anniversary of the GDR, Erich Honecker, general secretary of the SED Central Committee, chairman of the GDR State Council, and chairman of the National Defense Council, promoted Lieutenant General Klaus-Dieter Baumgarten to the rank of colonel general. He promoted Major Generals Rolf Berger, Ulrich Bethmann, and Hans Suess to the rank of lieutenant general; Colonels Olivier Anders, Bernhard Beyer, Eberhard Beyer, Guenther Brodowsky, Achim Heiland, Peter Herrich, Manfred Jonischkies, Diete Nagler, Fritz Riebisch, and Heinz Thurow to the rank of major general; Navy Captains Herbert Bernig and Hendrik Born to the rank of rear admiral; and Colonel of the Reserve Helmut Klabunde to the rank of major general of the Reserve.

The ceremony was attended by Politburo members Egon Krenz, secretary of the SED Central Committee; Army General Heinz Kessler, minister for National Defense; Colonel General Fritz Streletz, secretary of the National Defense Council of the GDR; Wolfgang Herger, secretary of the Security Department of the SED Central Committee; and Heinz Eichler, secretary of the GDR State Council.

Armed Forces Honor Parade Held

AU1210133988 East Berlin NEUES DEUTSCHLAND in German 8-9 October 88 p 1

[Excerpt] East Berlin—The traditional honor parade of the GDR Armed Forces on Friday morning [7 October] in Berlin marked the beginning of the celebrations on the occasion of the 39th anniversary of the GDR. Tens of thousands of working people in close ranks along the Karl-Marx-Allee warmly welcomed Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, as well as other members of the party and state leadership, when they stepped onto the honorary rostrum. During the 45 minutes of military ceremony, the soldiers of the people demonstrated their firm determination to reliably fulfill the class assignment of the 11th SED Congress, to always maintain defense readiness at the necessary level, and to do everything for the well-being of the people and the further strengthening of socialism, and for a secure peace.

Between Strausberger Square and Alexander Square, as well as in the streets leading to these squares, the Berliners and their guests greeted the parading troops and showed their close solidarity with the Armed Forces and the inseparable unity of the party, people, and Army. The slogan opposite the honorary rostrum was visible from a long distance: "Long Live the GDR—Our Socialist Fatherland!"

Together with Erich Honecker, the following members and candidates of the SED Central Committee Politburo were present at the honorary rostrum which was decorated with the GDR emblem: Willi Stoph, chairman of the Council of Ministers; Horst Sinderman, president of the People's Chamber; Hermann Axen, Horst Dohlus, Kurt Hager, Joachim Herrmann, Werner Jarowinsky, Army General Heinz Kessler, Guenther Kleiber, Egon Krenz, Army General Erich Mielke, Erich Mueckenberger, Alfred Neumann, Guenter Schabowski, Harry Tisch, Inge Lange, and Gerhard Schuerer. Also present were Manfred Gerlach, deputy chairman of the State Council and chairman of the Liberal Democratic Party of Germany; Gerald Goetting, chairman of the Christian Democratic Union; and Guenter Maleuda, chairman of the Democratic Peasant Party of Germany; as well as Guenter Hartmann, deputy chairman of the National Democratic Party of Germany; and Lothar Kolditz, president of the National Council of the National Front of the GDR.

Among those present were also Manfred Flegel, deputy chairman of the Council of Ministers; Hans-Joachim Heusinger, Wolfgang Rauchfuss, Rudolph Schulze, and Herbert Weiz, other members of the SED Central Committee and State Council, including Army General Friedrich Dickel, minister of the Interior and chief of the German People's Police; Wolfgang Herger, director of the Security Department of the Central Committee; and Erhard Krack, mayor of East Berlin. Further members of the State Council and the Presidium of the People's Chamber, figures of all parties and mass organizations united in the National Front, generals and officers of the armed forces, including Karl-Heinz Drews, city commander of East Berlin, were also present.

Among the guests of the parade were Boris Snetkov, commander in chief of the Group of Soviet Forces in Germany; Colonel General Nikolay Moisseyev, member of the Military Council and chief of the Political Administration of the Group of Soviet Forces in Germany; and Vladimir Merezkov, deputy commander in chief of the Allied Forces of the Warsaw Pact States in the National People's Army of the GDR. Also present were accredited heads of diplomatic missions with Doyen Faysal Sammaq, ambassador extraordinary and plenipotentiary of the Syrian Arab Republic, as well as military and defense attaches. The parade was also attended by foreign guests who had come to East Berlin on the occasion of the GDR's National Day. [passage omitted]

Hungarian Leaders Send Message

AU1110200988 East Berlin NEUES DEUTSCHLAND in German 8-9 Oct 88 p 6

[Message by Karoly Grosz, general secretary of the MSZMP and chairman of the Hungarian Council of Ministers, and Bruno Straub, chairman of the Hungarian Presidential Council, to Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Willi Stoph, chairman of the GDR Council of Ministers, on GDR National Day on 7 October]

[Text] To Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council;

Comrade Willi Stoph, chairman of the GDR Council of Ministers:

Dear Comrades:

On the occasion of your National Day, the 39th anniversary of the founding of the GDR, we wholeheartedly convey to you and to the working people of your country fraternal greetings and congratulations on behalf of the MSZMP Central Committee, the Presidential Council, and the Council of Ministers of the Hungarian People's Republic.

The Hungarian public looks with respect at the social and economic successes of the socialist German state, which have been achieved under the leadership of the SED, the leading force in the society, in developing the national economy, in scientific-technological progress, and in the cultural development over the almost 4 decades that have passed. With its active foreign policy work, the GDR assumes an important part of the joint efforts of the socialist countries to strengthen peace and international security.

On the basis of the joint responsibility for social progress, our two countries have achieved important results in cooperation and in strengthening the internationalist friendship of our peoples, results whose advantages are of mutual interest. We are convinced that our results form a firm basis for the further overall development of our relations.

On the occasion of your National Day we wholeheartedly wish you and the GDR people further successes in building the socialist society and in implementing the decisions for the flourishing of your fatherland.

Karoly Grosz, general secretary of the MSZMP and chairman of the Council of Ministers of the Hungarian People's Republic;

Bruno F. Straub, chairman of the Presidential Council of the Hungarian People's Republic.

SFRY President Greets Honecker

AU1110200288 East Berlin NEUES DEUTSCHLAND in German 8-9 Oct 88 p 7

[Message from Raif Dizdarevic, president of the SFRY Presidency to Erich Honecker, chairman of the GDR State Council, on GDR National Day on 7 October]

[Text] To Comrade Erich Honecker, chairman of the GDR State Council:

Esteemed Comrade Honecker:

On the occasion of GDR National Day I convey to you cordial greetings and best wishes for the further overall progress of your country on behalf of the SFRY Presidency and on my own behalf.

On this occasion I would like to express my conviction that the friendly relations and the fruitful, mutually advantageous cooperation between the SFRY and the GDR will continue to develop in the interest of the peoples of our two countries and will, at the same time, contribute to peace and an ever broader, equitable cooperation in Europe and in the world.

Raif Dizdarevic, president of the SFRY Presidency.

PRC Sends Message

AU1110165988 East Berlin NEUES DEUTSCHLAND in German 8-9 Oct 88 p 6

[Message by Zhao Ziyang, general secretary of the CPC Central Committee; Yang Shangkun, PRC president; Wan Li, chairman of the Standing Committee of the PRC National Peope's Congress; and Li Peng, prime minister of the PRC State Council, to Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council; Willi Stoph, chairman of the GDR Council of Ministers; and Horst Sindermann, president of the GDR People's Chamber, on the GDR National Day on 7 October]

[Text] To Comrade Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council;

Comrade Willi Stoph, chairman of the GDR Council of Ministers;

Comrade Horst Sindermann, president of the GDR People's Chamber:

On the occasion of the 39th anniversary of the founding of the GDR we convey to you and, through you, to the SED Central Committee, the government and the people of the GDR most cordial, festive congratulations on behalf of the CPC Central Committee, the PRC Government, the Chinese people, and on our own behalf.

Over the past 39 years the GDR people, under the leadership of the SED, have achieved great successes in the building of socialism through hard work and proceeding from the basis of their own conditions. The GDR has joined the ranks of the world's economically developed countries and is playing an increasing role in preserving peace in Europe and in the world. All this fills us with sincere pleasure and admiration. We extend cordial congratulations to you.

The Chinese people and the GDR people are linked by traditional friendship. We note with pleasure that the relations of friendship and cooperation between our two countries have developed successfully in all fields. This corresponds to the basic interests of the peoples in the two countries and contributes to preserving world peace. We are convinced that through mutual efforts the relations between our two parties and states, which have entered a new stage with the mutual visits of the representatives of both countries, will certainly be steadily enriched and developed.

We wish the GDR development and flourishing and all the best to your people.

Zhao Ziyang, general secretary of the CPC Central Committee;
Yang Shangkun, PRC President;
Wan Li, chairman of the Standing Committee of the PRC National People's Assembly;
Li Peng, prime minister of the PRC State Council.

List of Participants at Hertwig's Funeral Noted

AU0710154988 East Berlin NEUES DEUTSCHLAND in German 6 Oct 88 p 2

[Excerpt] Frankfurt (Oder) (ND)—On Wednesday [5 October] the closest relatives, fellow-fighters, and friends paid farewell to Hans-Joachim Hertwig, member of the SED Central Committee and first secretary of the Frankfurt (Oder) Bezirk leadership, in a moving funeral service of the Central Committee and the Frankfurt (Oder) SED Bezirk leadership.

Together with Hertwig's sons Hartmut, Ulrich, and Gerd, and other family members, the following people paid their last respects to the deceased, who died at the age of 60 on 28 September: members and candidate members of the SED Central Committee Politburo; Horst Dohlus, secretary of the SED Central Committee; Hans-Joachim Boehme, first secretary of the Halle Bezirk leadership; Werner Eberlein, first secretary of the Magdeburg Bezirk leadership; Heinz Kessler; Siegfried Lorenz, first secretary of the Karl-Marx-Stadt Bezirk leadership; Erich Mueckenberger; Guenter Schabowski, secretary of the SED Central Committee and first secretary of the Berlin Bezirk leadership; and Werner Walde, first secretary of the Cottbus Bezirk leadership.

The participants in the funeral service included Central Committee members and first secretaries of the SED bezirk leaderships Hans Albrecht, Johannes Chemnitzer, Guenther Jahn, Hans Modrow, Horst Schumann, Ernst Timm, Herbert Ziegenhahn, and Heinz Ziegner; Alfred Rohde, first secretary of the Bismuth SED Area leadership; other members and candidate members of the SED Central Committee, among them Eberhard Aurich, first secretary of the FDJ Central Council, and Werner Kirchhoff, vice president of the National Front National Council. Also present were members of the Council of Ministers, the State Council, and the People's Chamber Presidium, personages from the friendly parties and mass organizations, the members of the Secretariat of the SED bezirk leadership with Second Secretary Guenter Grell and Bezirk Council chairman Siegfried Sommer. A delegation of the Hessen District Committee of the DKP, headed by Chairman Rudi Maurer, presented the condolences of the FRG Communists. Representatives of the Group of Soviet Forces in Germany also expressed their sympathy at Hans-Joachim Hertwig's death, as did a delegation headed by First Secretary Wiktor Kinecki, on behalf of the PZPR Voivodship Committee of Gorzow, the Polish neighboring district. [passage omitted]

New Reservoir To Be Built In South

AU0610125988 East Berlin NEUES DEUTSCHLAND in German 4 Oct 88 p 4

[Summary] Gotha (ND)—The construction of a new reservoir to provide drinking water with a capacity of 21 million cubic meters has been started near Tambach-Dietharz/Erfurt Bezirk. The foundation stone for the dam, which, with a height of 75 meters and a length of 325 meters, will be the highest in the GDR, was laid on Monday [3 October] by Arthur Swatek, chairman of the Erfurt Bezirk Council.

'Delapidation' of Railroads, Dams Continues

AU1110141088 Hamburg DER SPIEGEL in German 10 Oct 88 p 17

[Unattributed report: "East German Delapidation"]

[Text] The GDR is crumbling: A total of 800 km of defective concrete railroad ties must be exchanged by the East German railroads. Saliferous sea sand was used for the production of the ties. The Ruegen dam, which links Stralsund with the Baltic Sea island, is also only partly operational. From 1986, when the industrial port of Mukran was completed, the dam has been completely overstrained. Large cracks have meanwhile appeared in the steel frame. The capital city of Berlin is also affected by the decay of concrete. In Erich Honecker's pet project, the Marzahn district, where 35,000 apartments have been constructed, experts have detected considerable damage, including rusty iron girders. The required repair work, however, is impaired by foreign trade obligations: The GDR will supply large amounts of cement for the channel tunnel between France and Great Britain in the coming years. The contract can only be honored at the expense of domestic supply.

Churches Appeal to EP To Condemn Romanian Plan

AU0810213388 Budapest MAGYAR NEMZET in Hungarian 4 Oct 88 p 4

["Letter of Protest From Hungarian Ecumenical Council to the European Parliament"]

[Text] Presbyterian Bishop Karoly Toth, chairman of the Ecumenical Council of Hungarian Churches, sent the following letter on behalf of the Council to Henry Plumb, chairman of the European Parliament [EP], in defense of the national minorities living in Romania:

The entire world has recently turned its attention to the issue of national minorities living in Romania. The believers of Christian religious denominations in the Ecumenical Council of Hungarian Churches—the Presbyterian Church, the Evangelical Lutheran Church, the Baptist Church, the Methodist Church, the Free Churches Council, and the Orthodox Churches—have repeatedly expressed their concern over the dangers that threaten these national minorities.

We are now taking this issue to this international European forum, which is a prestigious institution engaged in furthering peace on our continent and coexistence among its peoples. Our concern in focused on the national minorities whose very existence is threatened by the national minority policy of the current Romanian Government.

The essence of this policy is the concept of "homogenization" aimed at "Romanianizing" the national minorities living in Romania—some 2,000,000 Hungarians, 300,000 German Saxons, and smaller numbers of Serbians—by means of brutal assimilation. There are quite alarming and unacceptable facts in the practice behind this policy. The Romanian policy is making use of methods to implement its goals which contradict the European culture and way of thinking, as well as the valid international agreements. All this causes fear and anxiety among the national minorities and leads to complete defenselessness in which the issue of today and tomorrow, of the present and the future, is totally uncertain for national minorities, and all this, one can justifiably say, is close to genocide in the final analysis.

From a territorial viewpoint, most of the national minorities in Romania are living in the northern part of the country, in the area neighboring Hungary called Transylvania, a region carved by the northwestern slopes of the Carpathian Mountains. This can be explained by the fact that, as is well known, this area, together with its more than 2 million Hungarians and some 500,000 Saxons, belonged to Hungary for 1,000 years, ever since the establishment of the Hungarian state, and it passed to Romania on the basis of the Trianon Agreement following World War I. In the course of history, various nations lived together in this area with exemplary tolerance and patience toward each other. We in Hungary recognize the Trianon Agreement and the borders that emerged following World War I, and we do not try to change them.

The impatient Romanian policy of recent decades concerning their national minority has totally upset the political balance in the area, a rather unstable balance as it is. A series of measures are obstacles in the life of national minorities living there: These measures are limiting the opportunities of elementary and higher education in the minorities' mother tongues, the everyday use of one's mother tongue, one's opportunity to maintain contacts with relatives and acquaintances in the mother country, and tourism, including the travel and accomodation of Hungarians coming from abroad. These measures are putting pressure on national minorities to deny their Hungarian, German, or other origin when asked about their nationality—all this in order to come up with more favorable statistics. Discrimination is used in filling jobs and positions, and the national minorities are forced to look for and accept jobs far from their natural surroundings.

One could continue for a long time to describe the facts that show and demonstrate that behind this policy called homogenization is discrimination according to national origins, violation of the most fundamental human rights, and intolerance that leads to political repression and fear among the national minorities, a policy that totally contradicts the principles of the Helsinki Final Act, which Romania also signed.

One of the more recent developments in this policy is the so-called "resettlement" plan which, officially, is aimed at creating new arable lands to increase the country's agriculture. According to this, a central plan will make a decision on destroying several thousands of villages from among those which, allegedly, have very few inhabitants and are non-viable. According to the plan, the inhabitants of these villages will be sent to various central settlements where they will be massed together in newly erected housing compounds.

It is obvious, however, that this plan will only further increase tensions and make those who, in spite of their difficult circumstances, have not deserted the land of their ancestors, their homes, their churches, and their centuries-old cultural values to commit suicide in their desperation. All these values are now threatened with destruction. What will happen to these people if they are forced to leave their homeland, their houses are destroyed by bulldozers, their churches are leveled, their ancestors' graves are ploughed under, their communities are ravaged, and they are transferred into a totally strange environment overnight?

Fear, dispossession, and torment are reflected in the eyes of the thousands of people who, escaping from these conditions and often leaving half of their families behind, keep arriving in Hungary as refugees and asking for help from us, the churches, as well.

We who are believers in Jesus Christ, in the spirit of His evangelical love, appeal to everyone to end and resolve this terrible situation. Therefore, we emphatically appeal to the EP to direct its attention to this painful phenomenon which is foreign to the European way of thinking and to basic human morals, a situation which is poisoning the political atmosphere of our entire continent and filling the lives of millions with bitterness. We call upon the EP to condemn this policy and the subsequent practice of intolerance which includes the danger of genocide and totally disregards human rights and the relevant international agreements. In conclusion, we call upon the EP to do its utmost to prevent all this.

SFRY's Condemnation Noted

AU1110145288 Budapest NEPSZABADSAG in Hungarian 30 Sep 88 p 3

["MGY"-signed report: "The Romanian 'Resettlement' Plan Has Caused Alarm in Yugoslavia, Too"]

[Text] The Romanian "resettlement" plan has caused alarm among the Serbian and Croatian national minorities, too, and thus, in Yugoslavia as well, Yugoslav Foreign Ministry spokesman Ivo Vaigl stated in a news conference on 29 September.

Ivo Vaigl pointed out that this plan is a further measure against the Yugoslav national minority in Romania, as a previous measure has already made it compulsory to use only the Romanian names of cities and villages inhabited by Serbians and Croatians in Romania. This must even be followed by the Serbian-language newspapers published in Romania.

Yugoslavia's principled stand on the rights of the national minorities and their role is well known, a position it has also been consistently implementing toward the Romanian national minority in Yugoslavia. Therefore, we cannot be indifferent to the Romanian measures, the spokesman said. He then added the following:

"We have already discussed all these issues at various levels with the Romanian partners, and we continue this dialogue because, in our opinion, this is the way to solve problems in the spirit of friendly relations and interstate cooperation."

Austrian Petition Protests Plan

AU1310162988 Budapest MAGYAR NEMEZET in Hungarian 7 Oct 88 p 7

[Text] MTI reports from Vienna: So far 10,000 people have signed a petition calling on the Austrian Government to bring to the attention of the United Nations the issue of the Romanian village-destruction program, which is at variance with human and national rights. This was announced by Erhardt Busek, deputy chairman of the Austrian People's Party.

The leaders of Graz, the capital city of the Austrian province of Styria, called on Deputy Chancellor Alois Mock to make sure that Austria uses all of its diplomatic potential to oppose Romania's village-destruction activity.

EC Condemns Romania's Destruction of Churches

AU1410093888 Budapest MAGYAR NEMZET in Hungarian 7 Oct 88 p 7

[MTI report: "Council of Europe Condemns Bucharest Church Policy"]

[Text] Brussels—The parliamentary meeting of the EC decided to call on governments to do all they can to persuade Romania to adopt a better stand toward churches and believers and to renounce the plan to destroy villages together with their churches and Christian vestiges.

This call is included in one of the two decisions which was endorsed by the 160 representatives of the 21 member countries at the Community's fall meeting on the issues of East European churches and religious freedom.

The portion of the discussed issue concerning Hungary notes: For about 10 years the state has also sought the assistance of churches in the struggle against the moral deterioration of society. This is stated by the report which primarily expects a more favorable treatment of the Hungarian churches concerning religious education. In the portion dealing with the issue of Romanian churches, the report notes that, in the eighties, the destruction of churches has been noticeable but since 1984 this action has become more systematic. In Bucharest alone more than 20 churches have been completely destroyed and other 20 partially destroyed.

Situation of Hungarians in Vojvodina Viewed

LD1110102288 Budapest Domestic Service in Hungarian 0600 GMT 11 Oct 88

[Political journalist Janos Rekas report from Novi Sad]

[Excerpts] I would like to call attention to the fact that reports today are coming from Kosovo, and that they answer the question often heard in Hungary as well, as to why it was the Vojvodina leadership which had to fall when the problems themselves are in Kosovo. [passage omitted]

Of course, I ought to talk about the status of Hungarians in Yugoslavia. In connection with this it is very important for the Hungarian listeners in Hungary to have a correct, complete picture. I do not have time for this now.

I would like to add just one sentence. In my view, the 1974 Constitution in Vojvodina did not bring with itself the golden age of intellectual life for Hungarians in

Vojvodina. The status in constitutional law cannot be viewed as the only thing that determines the situation of a nationality. If Serbia, as a republic, strengthens its statehood, and if it assumes responsibility in connection with nationality rights, its task primarily will be to sort out education in nationality mother-tongues in Vojvodina. If it does this, it will thus be able to demonstrate its intentions vis-a-vis the nationalities.

Grosz Letter of Thanks to EC Prime Ministers

AU1310130888 Budapest NEPSZABADSAG in Hungarian 6 Oct 88 p 7

[Text] Karoly Grosz, chairman of the Council of Ministers, sent a letter to the prime ministers of the EEC member countries and expressed thanks for their efforts in facilitating the endorsement of the agreement between our country and the EEC. This agreement was signed on 26 September in Brussels. Grosz expresses the belief that the agreement opens up new opportunities for expanding and increasing cooperation, while also contributing to the intensification of all-European cooperation.

Varkonyi Returns From UN General Assembly

LD1010031888 Budapest MTI in English 1807 GMT 9 Oct 88

[Text] Budapest, October 9 (MTI)—Hungarian Foreign Minister Peter Varkonyi has returned from the 43rd session of the U.N. General Assembly in New York.

Chamber of Commerce Signs Accord With Israel

LD1310090888 Budapest MTI in English 1710 GMT 12 Oct 88

[Text] Budapest, October 12, 1988 (MTI-ECONEWS)—Mr Peter Lorincze, general secretary of the Hungarian Chamber of Commerce, and his Israeli counterpart, Mr Dan Gillerman signed a cooperation agreement in Budapest Wednesday [12 October].

The agreement foresees the expansion of the business contacts of the two countries and the mutual promotion of events that promote trade as well as the exchange of business information and trade and marketing delegations.

Top World Bank Figure Visits, Meets Officials

LD0410215288 Budapest MTI in English 1714 GMT 4 Oct 88

[Text] Budapest, October 4 (MTI)—Muhin Ahmad Qureshi, senior vice-president of the World Bank responsible for finances, visited Hungary from September 30 to October 3. He met Prime Minister Karoly Grosz, and Deputy Prime Minister Peter Medgyessy. Mr Qureshi also met Imre Kovacs, head of the Economic Policy Department of the HSWP Central Committee, Ferenc Bartha, president of the National Bank of Hungary, Ferenc Horvath, state secretary of the Ministry of Industry, Miklos Pulai, deputy minister, and Janos Fekete, first vice-president of the National Bank of Hungary.

In the course of the talks, the Hungarian leaders reported on the projected performance of the Hungarian economy in 1988, and reconfirmed the government's firm intention to continue implementing goals set down in the stabilization programme. The sides reviewed cooperation with the World Bank, and representatives of the Hungarian Government voiced their appreciation for the role of the World bank in Hungarian economic restructuring. Both sides stated that implementation of the loan agreements created between the World bank and the Hungarian Government for 16 programmes (to the total value of 1,496 million dollars) is proceeding at a good pace. The sides briefed one another on plans for continuing the good cooperation established to date.

Grosz Receives Foreign Businessman

LD0810162888 Budapest MTI in English 1527 GMT 8 Oct 88

[Text] Budapest, October 8 (MTI) On Saturday [8 October] Karoly Grosz, chairman of the Council of Ministers, met Sir Peter Abelest, general director of the Thomas Nationwide Transport, in Budapest parliament. The cordial talks were attended by Jozsef Marjai.

Editorial on CC Session on Democratization

AU0510110888 Budapest MAGYAR HIRLAP in Hungarian 30 Sep 88 p 3

[Editorial by Andras Banki: "State of Competition"]

[Text] The members of our society's political stage have been changing. In addition to the traditional political, state, and public organizations, new organizations are entering the stage and are declaring their intention to participate in shaping national and local policies. Self-organizing autonomous groups are emerging and intellectual and political movements, associations, groups representing interests, and federations are making their voices heard. Our editorial mail reacts sensitively to every vibration and every movement: Hardly a day passes without there being a letter for us containing a position or an appeal for a debate forum, demonstration, or strike. The editors have a hard time deciding what the government daily should do with all these requests. We would not be a daily if we did not inform our readers about these letters, but we would not be the government daily if, without criticism, we were to identify with opinions that blame the government, because most of these invitations do not appeal for a rendezvous with the government.

As we are in the middle of the Olympic games, it is proper to make the following sporting comparison: A state of competition is emerging on the political stage,

complete with emerging rules of the game. The public mood is such that the activity of the party and of the government is surrounded by a lack of confidence and impatience mixed with annoyance, partly because of the failures and partly because of unpopular but necessary decisions. It is a public mood in which, consequently, people who start their political career with some previously earned moral asset or, at least, without faults have a greater chance of being popular, and these people start with a clean sheet, declare programs, make demands, and criticize. However, all this does not mean that the party and government, which are in a disadvantageous situation, do not have enough ammunition. It is also true that the current political liveliness is not against them but has emerged at their initiative as well, and this naturally includes their own renewal, change in style, and acceptance—but not monopolization—of the cause of social progress.

The Central Committee session of 27 September was an important phase in the process that has accelerated since the MSZMP national conference in May, essentially because this conference confirmed the reform of our political institutions and the issue of democratization and pluralism. At the same time, in view of the experiences accumulated in the meantime, the Central Committee has formulated a more graded position concerning the coordinates of socialist pluralism and the future relations between the party and the emerging self-governing and autonomous groupings.

However, the animated debate in the Central Committee has provided many more lessons than this, because there was a clash of opinion over essential issues like party unity, interpretation of the leading role of the party, and evaluation of the domestic political situation and of the general public mood. In this respect, the two Central Committee secretaries who participated in the party spokesman's news conference [Janos Lukacs and Matyas Szuros] were justified in repeatedly using the expressions "new way of thinking" and "new work style." This new work style is gaining ground and this is also reflected in the fact that, doing away with a previous and not very advantageous practice, the Central Committee also discussed topical domestic policy issues along with a report submitted on the party's internal situation. The connection does not require a special explanation: The party cannot be separated from society, and everything that happens to the party and within the party is also shaping society, and the converse should also hold true. To quote a speaker: "Why should the party's situation be easy when the country's situation is difficult?"

As a result of the open debate, one could hear the differences in opinions, including the elements of a possible return to the old ways. The outlines of a new type of struggle on two fronts are emerging now: The party is urging a new consensus to carry the reforms further; at the same time, the party is also taking a stand against conservative forces and against those who try to avoid dialogue and increase the tension. A concept is gaining ground which regards the competition emerging within a legal and constitutional framework as a challenge, and which intends to implement the party's leading role by political means, that is, by actively engaging in politics rather than by dictates. At the same time, this is an answer to the debate on a one-party system or a multiparty system and, considering its weight, it is worth quoting from the communique issued about the meeting: "The Central Committee reminds the people of the position of the MSZMP National Conference, according to which a socialist pluralism based on the party's leading role is the condition for and means of implementing and exercising the people's power. This is the standard of renewal of our political institutions."

We know that a leading role does not depend on declarations. It remains a dead letter if the party's goals are not implemented, because they do not meet with understanding or gain followers. The acceptance of this challenge also means that the party intends to act as an integrating force in our rapidly polarizing society, a society divided by interests and opinions.

Democracy and political style are inseparable concepts. If the institutions of democracy do not work properly, there will be no place to learn political style. Without a political style, however, the institutions of democracy will work with inefficiently and with great losses of energy. At the same time, democracy is not a goal in itself. It should serve the decisions and the efficient functioning of our society. We should search for and develop these opportunities that are inherent in the processes under way in our animated society, by providing equality of opportunity for progressive efforts and by tolerance.

Major Discusses CC Debate on Reforms

LD0310001088 Budapest Television Service in Hungarian 1800 GMT 2 Oct 88

[From "The Week" program; interview with party spokesman Laszlo Major by unidentified correspondent; date and place not given]

[Text] [Announcer] I do not remember such coverage by the press in terms of the extent, depth, and several waves, of a Central Committee meeting, as the press provided this week. Public opinion is still full of curiosity and expectations. We have spoken to party spokesman Laszlo Major:

[Unidentified correspondent] One meets a strikingly large number of types of evaluations when the matter of this week's Central Committee session arises. According to some, there was an open forum clash over questions of internal policy. According to others, and mainly in the opinion of the Western press, it was a question of the open attack of the conservative forces, that they have become activated. How do you explain this? What was this Central Committee session like concerning the internal policy part?

[Major] I am familiar with these opinions, for on the one hand, the reports by the Western press arrived on my desk. On the other hand, yesterday I met Western and socialist journalists at an international news conference where the Western colleagues voiced similar opinions. I know that THE GUARDIAN and the BBC, for example, evaluated the Tuesday session of our Central Committee as a conservative attack against the reform policy. I would say that this is definitely not the case. The multitude and the variety of opinions was manifested at the Central Committee session, but ultimately, it was my impression at the end of the session that in the main processes, every Central Committee member agreed that the reform, the resurgence that has been begun, must be continued.

[Correspondent] How much did this week's Central Committee session follow the line of the May party conference, the reforms, and the assertion of the reforms?

[Major] Completely, except that those doubts which have appeared since May in Hungarian public opinion in the party membership were also raised. For example, what does the appearance of many new organizations or alternative movements mean? Can the leading role of the party be preserved? Do we have a program for this?

I told foreign journalist colleagues, too, that these organizations did not come into existence contrary to the MSZMP's will, but rather very consciously; it was the party which wanted the plural opinions existing in Hungarian society to appear and meet in an open arena, and not to lurk as unuttered words. Precisely by getting to know the multitude of opinions, we can also facilitate decisionmaking in economic, social, and other sectors, too, if we know the real conflicts of interest.

[Correspondent] How do you evaluate the sentence in the communique issued on the Central Committee session proposing a form of behavior to party members and party organizations in relation to these movements or alternative organizations which are developing? Is this compulsory for party membership, or is it not compulsory? What does it mean that it proposes a form of behavior?

[Major] First, does it really propose concrete forms of behavior? It is my opinion that for the time being, we only have ideas as to how we should behave in the future toward the new organizations that are coming into being. For these organizations—at least one or two—have declared their aims, but they are not yet legalized. We must wait on the one hand for the law on associations, and on the other hand, once they are operating legally, within constitutional and legal frameworks, we have to wait for what their actions will be. I think it would be political (?madness) to judge them based only on their words. It is a fact that the party membership also expects some kind of indication or direction. What can be formulated here in the unknown with regard to the future is that for those who are on a socialist platform with those organizations, cooperation is naturally desirable, and perhaps even participation and debate, too. For those who accept socialism, but criticize us, we obviously must debate, and must look for the intention and possibilities of possible cooperation. There will probably be a third category, too, which questions every kind of value that has come into being in Hungary and questions certain basic things. For these, I do not think that the party membership should have to debate, for they are so inflexible that they too reject debate. So, here it is probably confrontation that remains. For the time being, it is a question of declarations, not facts. We must wait until next year—obviously, if the parliament accepts the law—then we can see what kind of organizations are these that have come into being in Hungary.

[Correspondent] At the Central Committee plenum, the interpretation and implementation, the necessity of party unity was once again raised urgently. Now, in considering the fact that 73,000 people have left the party, to what extent do you feel that some kind of line of direction has managed to be decided upon concerning the process of asserting party unity? For it is not just now that this is starting to develop.

[Major] Yes, 73,000 people have left. Statistics have been calculated on them. The overwhelming majority of them belong to the older age group, to the 50- to 60-year-old age group. Many of them gave material reasons for their leaving, the party membership fee, the fact that the party and state do not perhaps concern themselves with pensioners with such emphasis as they would think, but there are very many among them who, in a more difficult period, do not undertake all the restraints which go together with party membership, perhaps even the unpopularity as well.

What should I say? Perhaps it is no bad thing if these strata to which I referred just now, lastly, leave the party. This can also be interpreted as a kind of self-purification process.

[Correspondents] Let us go back to where our conversation began, to the variety of opinions. Perhaps this variety could be better evaluated, and perhaps there would be less guessing if we could be familiar with the contributions themselves, too, from television, radio. We did get to know them, there was very great coverage, but all the same, we got to know edited versions of the contributions. Can a change be expected?

[Major] The MSZMP has started a completely new practice by making the Central Committee session public, giving regular briefings on the Politburo sessions to the Hungarian press, and to the international press, too. I think that here, too, we cannot start right in the middle. This is a process. Something has started. The members of the body are beginning to get used to cameras being in the chamber, having journalists come and go there,

having radio recording the contributions, and then giving summary reports of them. I think that if we immediately started providing complete, live coverage of the session, we would perhaps damage the seriousness of the work and would impede those who, seeing the nonworking camera, do give their opinions bravely and are outspoken. I think there will be change and development in this, as we all learn to live together with openness.

[Correspondent] We must learn this.

[Major] We must, we are sentenced to this.

Finance Minister Speaks on Economy, Tax Policy

LD0710092988 Budapest Television Service in Hungarian 0755 GMT 6 Oct 88

[Report on National Assembly session, including speech by Finance Minister Miklos Villayni—live]

[Excerpts] [Passage omitted] [National Assembly Speaker Stadinger] Esteemed National Assembly, we now continue the debate on the draft bill on entrepreneurial profit tax. Esteemed National Assembly, yesterday I asked our Legal and Judicial Committee to discuss it and to take a stand. Now I consider it expedient before the decision is made, and I am proposing this, that the Planning and Budget Committee should hold a session, because numerous proposals have been made. The Committee should invite to the session the fellow deputies who made the proposals and the finance minister. They should try to work out a proposal with which the National Assembly can deal substantively. The time of the committee's session...[Stadinger's attention is drawn to someone wishing to speak] Please.

[Villanyi] Esteemed National Assembly, taking into account what has been heard in the debate as well as the expected outcome of the vote, I think it would be expedient for the Assembly to consider the first reading as a proposal that has been debated. [applause] I admit that I did not wish for this applause. At its next session, it should debate and approve it together with the temporary law proposed by us, deciding also on the proposals. With regard to the many things heard in the debate—about which I have things to say—I request the opportunity to respond.

[Stadinger] Please.

[Villanyi] Esteemed National Assembly, listening to the agenda debate, I think I can have no illusions about the next agenda either. [laughter] The passionate debate encourages me to also share with you some of my feelings. One is that I hope none of you ever have to submit to the Assembly any kind of tax law. [laughter] I tried to prepare for this debate. I must say that not even those aspects of my Csongrad visit mentioned by Karoly Eke have made me sufficiently strong for this debate. [laughter and applause].

The other thing is that, in complete agreement with the thoughts which Deputy Jenoe Horvath expressed regarding tax morality, I would very much like to see in this country taxation—which is a prerequisite for the state to function, to exercise authority—not being the concern of only narrow financial and state administrative interests. We should really make this a common concern so that broader circles of people feel that without this the country is incapable of functioning. At this time, unfortunately, we see extremely few indications of this, both in the mass media and in public opinion.

Before coming to a few of the questions that were raised in this agenda debate, I would like to speak about what Karoly Eke said in the debate on company law. As it happens, I would append a thought to his observation that the government in fact approaches everything from a financial aspect. You could say it approaches everything only from that aspect, and that it tries to resolve matters also from this aspect. It has not been said here but on TV, radio, and elsewhere, that there is a fiscal terror, that the rule of bureaucracy holds sway in our country. The reason I speak about this is that I am convinced that these observations reflect distorted views not connected with reality.

In Hungary the Assembly has been approving a deficit budget since 1968. As a consequence of this, the state debt is reaching proportions that are gradually becoming unbearable. Over and above this deficit, it is well known that we have been financing from the central bank and other sources the costs which burden state management expenditures to the tune of several billions, several tens of billions per annum. I think that this fact does not by itself justify this claim. Moreover, I have to say it: I agree completely with that post-'45 Hungarian theorectical economist, most often recognized internationally too, who in his work entitled "Deficit" proved that a soft budget curb is being asserted in Hungary. I have to say that this fact is true.

In order for us to sort out our economy, in order for us to deal with an economy setting serious demands, we must very quickly and very shortly change this outlook. It is not possible to resolve with rhetoric—no matter how effective it might be—a practice that creates extremely serious, even very great conflicts.

I would like to stress one more thing in this connection. If it is true—and I fully agree with Prof Kalman Szabo's view that socialism is a goods-producing economy—then this basic truth has consequences; then the goods-money relationship is an objective law. For a time ite can be violated, but as the Hungarian practice and the practice of other socialist countries has proved in the past decades, only by bringing to the surface very, very great social sacrifices; this then has to be asserted, has to be respected, and indeed demands that the price-money-value relationships be put in the forefront, that their role

be really asserted. For a time this can be distorted by budgetary tools, but not in the final instance. It demands all the more sacrifices. This can be criticized, but its effect cannot be avoided.

Moving on to the debate, I would like also on this occasion to thank the Planning and Budget Committee and the speaker of the committee for their submission and proposal which were in my view polemical, which supported the debates with a realistic tone, with a conviction springing from the roots of our economy. I agree that certain parts of the debate cannot be closed either now or a month from now. I consider as such the matter of the dividends on state ownership. Andras Nagyivanyi approached this from another aspect. I am convinced that there is room for debate; we must go even further. But for all that, we have to reach some kind of agreement in the near future.

I regard in just the same way the matter of property assessment, of interest in property increase, and of eventual proportional deductions for property. It is a very important matter; it affects our future. I am convinced that there is room for a further principled, theoretical approach.

Those who took part in the debate, not in a great number, can visibly be divided into two groups. On the part of the enterprise people, I think that we heard realistic approaches, springing from our current reality. The draft bill contained nothing that was incomprehensible for them: they understood what it had to say. For me this is reassuring, since this bill is unavoidably a professional bill, it is addressed to them, not to citizens. Their observations, their proposals, urge us to reflect: they are worth considering: they spur us on to substantive debate.

For my own part I fully agree, for instance, with Andras Nagyivanyi's proposal that in principle, apart from the difference between the proceeds from shares and their current price when selling, it is fully justified to count as profit the continuous current price difference. This naturally requires a scale that would determine it; this could be the stock exchange. There is no stock exchange in Hungary, so obviously for that reason it is not possible to regulate this in a law today. He raised the point that he considers the preference, in the case of plants with wages below 20 million to be incompatible with the principle of competition neutrality. It is true; this could infringe the principle of competition neutrality. I would add that in the submitted bill this figure limit does not appear; we wished to determine it elsewhere; but I think that this is worth considering. But I add that in my view the proportion of small organizations is still low in Hungary; this reduces the flexibility and adaptability of the whole economy. In consequence, I do not consider it wrong to deliberately incorporate certain advantages and preferences to makeg up for this deficiency. I spoke about these and listed these preferences; they will get under way.

It is naturally possible to debate these; not these but others. But I think that this aim in itself is sound.

Zoltan Miklos touched on a few peculiarities of the agrarian economy, first and foremost in the sphere of plants with unfavorable endowments. I would like to say that in Hungary the operating conditions of agrarian plants with unfavorable endowments are basically ensured from the financial side by two tools. The one is the special system of support for unfavorable endowments, which will not foreseeably change either in its size or in its system in 1989; therefore, this is support of very great size, of several billions; this is how we want to make possible the ability of this sphere to function.

The other thing is that a special tax concession generally applies to industrial, nonagricultural activity pursued here. The question is whether that activity, the agricultural basic activity, which has an extremely low income for reasons which he has also given, can be given concessions precisely from the tax concession aspect. Because if there is no income, there is no tax concession. Naturally, together with the others, we will put his proposal on the agenda in the coming period; we will debate with him and we will reach an agreement.

Iren Kakas' proposal for giving various concessions in economically backward regions is, I think, included in principle in the bill. She proposes that this should to a certain extent be put in concrete form. We shall have to see if this is possible.

As for the debate about the degree, I have to say that one thing is certain, not because Deputy Jenoe Horvath raised the prospect for this: It is that in this matter at our November session you will not come across a proposal for a lower rate, so for this reason I would like to speak about this. As I have mentioned, taking concessions into consideration, this submitted rate, apart from the average 50 percent, makes the actual tax burden below 40 percent. This is an extremely low rate, even when measured on the international scale. On balance, I have to say, if any kind of problem or criticism can be raised, then it is this: that this rate is not in harmony with our situation, that it is low.

In making a judgment, it is pertinent to recall the fact that, as I have mentioned in my report, we are simultaneously abolishing 13 billion forints in taxes. I did not speak about it, so now I consider it necessary to [word indistinct] because it is not a current decision, but one made by the Assembly last year, that according to the rules of the general tax turnover system currently in force, since the reclaimable general turnover tax gradually inceases annually, this will represent a further loss of 7 billion forints in general turnover tax next year, because by next year investors will be able to claim 40 percent in general.

Therefore, with the scales outlined in what has now been submitted, the proportion of income centralization will be tangibly reduced. This was not brought up in the debate. Can we Hungarians approve the concept that we should first have a strong economy and after that our budget should be straightened out? I think that this is not realistic. In our circumstances it is well known that our indebtedness has become critical. It is obvious that this concept reckons with a further significant budget deficit. This would mean an unbearable increase of indebtedness, both an additional large-scale swelling of internal state debt and our foreign indebtedness as well. This cannot be increased further, not only in the view of Hungarian fiscal experts, but also according to international experts and financial institutions. Unfortunately neither the Assembly nor the state economy has any choice in this.

In connection with delaying the timing of the decision, allow me to say one thing. I have in my hands a paper dated 5 September, which has been sent to all deputies. This notes the following: The Finance Ministry's leaders and staff members would like to facilitate your preparation for the October session. We are readily at your disposal for every issue that may arise. In connection with the draft bills, beyond the usual consultation opportunities with leaders, the experts listed below will also directly give any necessary enlightenment. There is a list of experts, with their phone numbers, for entrepreneurial profit tax, general turnover tax, and private individuals income tax. On 5 September. Since then, dear comrades, from legal circles we have not received a single concrete proposal for amending the text, with the exception of yesterday's debate, neither at the committee nor since then. I think that a responsible approach demands that everyone should have the opportunity for this, even then the experts. Therefore, I would emphatically ask that we should do this not only at public plenums, but that we should assist this with a constructive approach also in the workshops. Otherwise we will always get into this kind of situation when judging matters of such large scope, which are extemely complex, extremely complicated.

It has been said that in August, with a secret qualification, we sent out the bill on profit tax. Comrades, have a look, please, the Finance Ministry has not given a secret qualification to a single draft of the profit tax bill sent to the Assembly. In this genre only one secret material has come into being: the Council of Ministers submission coordination was not secret either. The Council of Ministers submission was qualified as secret, in accordance with existing law. I think that lawyers are the ones who can complain the least if the experts in the state administration proceed in accordance with existing law.

When we urged a decision on the entrepreneural profit tax, our one aim really was that the enterprises should get their information as soon as possible, because we are convinced that this is an essential precondition for their preparation for next year. We have to break with one thing, dear comrades: If we want to end the yearly tugging at the economy, the yearly modification of income regulation, then we cannot wait for all the decisions to be made at one time. I am convinced that one of the basic changes of the new tax reform compared to the previous period is that it wants lasting rules of law and not yearly changes.

In Europe and in other parts of the world as well very many kinds of tax law modification are on the agenda. Not a single one of them is linked to determining social security contribution or to other matters important in themselves. I consider it necessary to note this, because the facts show this.

We also have to decide on another issue. In my opinion nowhere in the world does a tax law consist of a mass of dispositive regulations. This springs from the nature of the previously adopted laws; but I have to say that in respect to the part concretely indicated, I can imagine "may be" instead of "must be." So, for this reason, I think that these things must be concretely debated.

With regard to other conditions—that is social security contribution, wage and income regulation—there is no doubt that in a month we will know more about them, but naturally we will not know them precisely even then. We know all the decisions connected with the draft. These can be made known to the country and the Assembly at your December session at the earliest, where next year's budget will be discussed.

Dear comrades, summing up the lessons drawn from this debate, these thoughts have occurred to me. I ask that the deputies, those who have made proposals and also those who wish to help our work in the future, in the time that still remains should be at our disposal with their proposals. After the Council of Ministers approves it, we will place the bill on the transition at the Assembly's disposal. Thank you for your attention. [applause]

[Stadinger] Esteemed National Assembly, since the majority of speakers have proposed that the decision be postponed, and the Council of Ministers is also in agreement with this, there is an opportunity for us to take a stand on this issue. Does the Esteemed National Assembly agree? So, I ask the Esteemed National Assembly: Does it accept the proposal that at its next session in November it should re- debate the enterprise tax law? Those who do so, please let them vote by raising their hands. Obviously the majority. But I will ask, nevertheless: Who is against it? So this is the counter-opinion. Who says we should decide now? Twenty-three think the National Assembly should decide now. Has anyone abstained from the vote? Ten have abstained from the vote. Therefore, I pronounce the decision: that the National Assembly considers yesterday's and today's discussion of the draft bill as the first reading and at its next session, which will foreseeably be in the second half of November, it will put it on its agenda. [passage omitted]

Esteemed National Assembly, we will continue our deliberations. Now we will discuss the draft law on modifying the fifth law of 1987 on general turnover tax and on the sixth law of 1987 on personal income tax. Finance Minister Miklos Villanyi has the floor.

[Villanyi] Esteemed National Assembly, it is 1 year since the National Assembly discussed the draft law on introducing two new taxes. After a great deal of debate and with the acceptance of several amendments, you, having sided with the reform, gave a vote of confidence to the government's program of stabilization and resurgence [sztabilizacios es kibontakozasi program]. As one of the tools for this, you also accepted the introduction of the new tax.

It would be too soon to give an economic policy evaluation of this very important measure, with suitable responsiblity. This can only be done after several years. The experiences of at least 1 year are also necessary for an evaluation of the tax policy principles.

We can only undertake a short-term calculation now, which by necessity is restricted to whether the system is functioning, how we can live with it, what our most important tasks are in order to help ourselves through the unaccustomed mazes of the changes.

Regarding the functioning of the two taxes, of the new tax system, although we introduced them at the cost of serious efforts that put society to the test, we can say that they are working. There have not been serious hitches in production, management, because of them. This, in itself, can be viewed as a result, which can serve as a good basis for further development. We have had, and have, problems with the functioning. We cannot deny that there really was too little time for the introduction.

It is possible that we said for 2 decades that a tax reform is necessary; we judged that we were not prepared for it and for that reason we did not really prepare for it. For this reason, it really was patience alone which helped when it was necessary to stand in line for printed matter, when the accustomed price-proportions changed considerably.

Sober reason, occasionally understanding vis-a-vis the new, and then the operative measures which clarified and corrected faults, helped those who were affected over the most serious problems. The grievances from grossing-up [bruttositas] were handled by employers, or where it was justified, for example in the case of teachers, the resources were ensured or made available by the budget.

Perhaps it took longest for us to reply to the many questions concerning income tax. It was necessary to issue several hundreds of standpoints, which helped in orientation and clarified the interrelations which were difficult to recognize. International experience tell us this is not solely a Hungarian phenomenon. It can be observed elsewhere that widespread interpretive work follows the creation of new tax laws.

Finally, it also proved true that practical answers which were given to the questions raised in practice in most cases settled the problems in a satisfactory manner. In spite of all this, I cannot state that our society might have unanimously accepted the tax laws. The new tax system was introduced amid serious problems of equilibrium, alongside the deteriorating trends in economic processes. We knew, and also emphasized, that these economic difficulties were the final results of decades-long processes, which the tax system, in itself, would not be able to resolve. Nevertheless, society now lives with a decrease in the standard of living as a result of the new tax system.

The situation of the population in 1988 would not have been better even if the standard of living had decreased, not via taxes, but in another manner. In my opinion, the conclusions are too early and can be disputed in substance, which unilaterally attribute certain socio-economic phenomena to the effect of new taxes.

From among these, I will turn to two questions which arise characteristically: the greater than intended inflation and the interrelation of tax and performance. No doubt it was necessary to decide on rise in price levels in 1988, on the changes in price-proportions, simultaneously with the introduction of the new taxes. However in shaping the extent of the rise in price levels, the determining thing given was the constraint to improve the balance, the necessity to restrict domestic consumption, and not the tax system. General turnover tax is only a tool of the greater expense of consumption. Its dimensions are not an end in themselves and they cannot be freely chosen.

The abolition of subsidies, the narrowing of earlier concessions, made apparent the inflationary pressure which earlier had been present in the economy, and at the same time it created a possibility in the midterm for reducing the budget's revenues, and via this, in the tax-press [adopres].

From the rise in consumer prices in 1988, eight percent can be attributed to introducing tax reform. The tax system in itself does not have an inflationary impact, if the amounts of tax do not increase. However, it is a fact that the system of turnover tax links more consistently than up to now, the movement of producers and consumers prices. It does not make it possible for us to prevent the rise in producers prices via a lessening and perhaps differentiation of turnover tax rates in consumer prices. Therefore, in this system, the inflationary pressure in the economy cannot be concealed for years by the state budget, that is, where real value relations are expressed.

For example, as long as the decisive part of our economy produces products which cannot be sold on the world market or can be sold only at a loss, it will not be possible to halt inflation. This can be curbed only for a short time by official measures. For this reason, a reduction in turnover tax rates or an expansion of price supports is not a solution.

However, the question is just, and recently has been voiced with increasing resolution, as to who should bear the economic burdens stemming from the international devaluation and economic policy decisions which previously were backward or were mistaken. The real question and dilemma is to what extent the burdens are divided up in society, between individuals and groups. What is the role of general turnover tax in this?

General turnover tax is a tax which appears in the prices of products for final consumption, for the most part for public consumption. It, therefore, is always paid by those who purchase the product. For this reason, a key issue is that this tax should be reflected in the price paid by consumers in the decisive proportion of items intended for final consumption. If a very high tax is limited to a narrow circle of products, it inevitably distorts and misleads production and consumption. We must avoid these effects. For this reason, I think progress would be served if in the future we were to narrow down gradually the sphere of exemptions, concessions, and via this, we would be able reduce the current 25-percent tax rate.

The other criticism which is often voiced in many places is that personal income tax has the impact of holding back performance. I think that issue is much more complex than that. If we open the gate to a process in which individual income elements are accorded various kinds of concessions, the acquirers of such incomes can gain beyond the acquired income the advantage of reduced tax or dispensation, to the disadvantage of other strata, other groups. Tax which is paid on the basis of combined incomes is the most able to realize the principle of greater income entailing a greater assumption of burdens.

Therefore, in agreement with what was voiced in the preparatory debate, there is some justification in examining the matter of holding back performance in other and wider contexts.

Tax is also contained in wages. It is necessary to shape an effective incentives system for recompensing work; possibilities for this which are more favorable than at present will be created by the abolition, planned as of next year, of the up to now rigid central wage regulation.

It cannot be proposed that we alleviate the tensions in wage-proportions and wage levels, with exemptions associated with certain wage elements in the system of personal income tax. This would mean efforts to develop the tax system have been made in vain. Furthermore, if acquiring an income conflicts with economic policy restrictions, the tax mass cannot be reduced, and a broadening of the sphere of concessions would lead to an increase in the average tax rate sooner or later.

The doubtlessly existing wage disproportions, for example among health workers, must be resolved, not by a differentiation of the dimension of the tax system, but here, too, work, extra work, must be done.

As is known, in the health sector there will be a small wage increase as of 1 October. At the end of this year, we will examine the measures that can be taken next year on duty pay. In my opinion, we cannot give up taxation of combined overtime pay.

Esteemed deputies, although there still are 3 months remaining in the year, a question which obviously interests all of us is the development of tax revenues. Taking into account the preliminary September statistics as well, I can say that the two new taxes bring in the returns calculated for the entire year. General turnover tax has flowed in steadily to date, in adjustment to turnover. In 9 months, the revenues were 85 billion forints; for the entire year the planned level of tax revenues is around 126 billion.

In the first half of the year, personal income tax fell short of what was expected. However, revenues rose from month to month. Thus, with a good approximation, an attainment of the planned amount is expected. So Far, personal income tax of 37 billion has been paid; as a consequence of the regulations of advance tax payments and the greater outflow of income expected in the third quarter, personal income tax revenues of some 18 billion forints are expected in the remaining 3 months. Thus, over the entire year, the planned revenues will, in essence, be fulfilled.

On the basis of the committee sessions, opinions are divided as to our next tasks. Many people urge, with healthy impatience, the acceleration of the reform process in all areas; others want to restore the old order and want more cautious changes in economic activity.

The Assembly has just passed the company law. Making social security independent is on the agenda along with introducing unified social security contributions; reforming planning and the budget; reforming the wage mechanism; and reforming social policy, pensions, and housing policy. We are gradually liberalizing the management of production factors; we are unifying the functions of the public and the enterprise bank. Work on changing political and economic institutions is proceeding in parallel.

Even separately these are changes of great importance. The capacity of the economy and society to absorb changes is finite. There are those who think that we have been hasty in introducing the modernization of the tax system. In my opinion, given the many changes planned for next year, it would be a greater problem if we were to

start the tax reform at the same time. However, it is true that if we wish to see within a foreseeable time the advantages of the tax system, then our task now is not how to reverse the elements of it which point ahead, but to accelerate the whole process of reform, and to complete as soon as possible the harmonization of our operating systems.

Here I gladly quote one of your colleagues who said in the debate of the ad hoc committee that we should not rearrange the tax system, but we should adjust the other elements of the system to the new conditions. There is an apparent contradiction in that without knowing thoroughly the effects of the operation of the new taxes yet, we are making a proposal for adjustment. Several representatives voiced the opinion—perhaps they will also be given time in the debate—that we should not make changes now. We cannot do this for several reasons. There are elements which improve the handling of taxes, which ward off the technical reasons for distortions, and are unequivocally advantageous for the population. It is worth taking these now.

Many people are afraid that after this there will be no more changes. There is no question of this because we must go back to the tax table in December—with the experiences of 1 year's operating in the session next spring - in accordance with the government's promise and the earlier decision of the National Assembly.

A compromise has developed now between the government and the National Assembly's ad hoc committee in that this is a good opportunity for us to promote those amendments which advance smoother operations and give clear orderly answers in the law to those questions which we answered with gap- filling explanations over the year.

There is a practical aspect as well which urges a more orderly system. The end of the year is approaching, the time of tax forms. The taxpayers must have clear instructions. The tax form can only be finalized on the basis of unequivocal directions based on a legal rule. We cannot wait any longer to print this because preparations must be made for its use.

Precisely because time is short, our task—which is undoubtedly the focus of attention and concerns adjusting the system for calculating personal income tax to the expected income processes—cannot be accomplished now. We will only later have a real picture of next year's plan and budget. It is then that we can make responsible statements about the tax rates, about the brackets and other value limits. We cannot reduce the average tax burden of the population, but we do not wish to increase it either. From the stronger nominal income outflow, an ever greater mass of income goes into the higher tax brackets, which would mean 3-4 billion forints in more taxes. To avoid this, we are working on the appropriate modification of the tax table, and we will submit this to the National Assembly in December.

Esteemed representatives, as is apparent from the proposals before you, the present amendment does not extend to amending the basic principles of the tax system. We can make changes affecting the principles only after accumulating the experiences of 1 complete tax year, at the earliest. This is when, for example, we can get around to weighing whether the parallel development of the family income tax, or the present personal income tax, and the social policy system should be the road to be followed in the future. Specialized work in connection with this is under way.

Similarly, it is in the framework of comprehensive evaluation of tax reform that it is possible and justified to rethink, inter alia the system of concessions, making more consistent the principle of fair and equal bearing of public burdens, the examination of the sphere of cost accounting, the modernization of payment of tax advances.

The government therefore agrees with the standpoint of the ad hoc committee according to which the Assembly should deal in three stages with the issues of taxation which greatly interest society, and also with the fact that it evaluated various proposals from the point of view of in which phase these should be examined.

I would highlight some of the more important proposals made on the amendment of the two laws. Regarding the general turnover tax, the stipulations concerning the construction of dwellings will, in accordance with our proposals, be more unequivocal than up to now, the differences manifested in the handing of individual dwelling construction forms will be reduced to the minimum possible. The restriction regarding the upper limit of tax which can be claimed back will cease; the circle of those who can claim will be widened. In parallel with the relaxation of regulations for tax reclaiming regarding construction—the later introduction of public utilities in dwellings, the obligations pertaining to the technical content of other dwelling usage, and dwelling renewal—modernization work will also cease, which is a significant expansion of concessions.

However, as a partial counterweight to this, the tax reclaiming regulations regarding work completed on the dwelling will be stricter. Tax can be reclaimed in the case of purchases exceeding a total tax content of 10,000 forints. These two steps are only justified when taken together.

We propose new regulations for the taxation of public utilities associations. Alongside the preservation of the right to reclaim tax of water utilities associations and partnerships and the incorporation of this into law, the other collectives for the construction of roads, sidewalks, electricity, gas lines, and telephones will also have a share in tax rebates, in proportion to the public's sources drawn in.

To take advantage of the concessions, it is necessary that cooperation should be realized in a collective form which can be handled legally. All this can spur on the development of the public infrastructure, and the participation of the public in this.

The proposed modification which links the payment of the general turnover tax to counter value instead of production output will have a favorable impact on individual ventures and the liquidity situation of smaller partnerships. These proposed modifications in the law will result in a reduction of 3-4 billion forints in budgetary revenue in 1989.

Numerous proposals were formulated by deputies, interest groups, and citizens which are not now included in the proposed changes. These have also been discussed by the relevent Assembly committees. Their assessment can take place during the conceptual revision in'89. But I must refer to one area of issues because the proposal has now grown into a political requirement: This is the taxation of artistic creations, artistic activity. I have to accept the passionately voiced criticism and anxiety voiced in the Cultural Committee regarding the future of Hungarian cultural life.

Owing to the restrictive practices that have been going on for several years, there is a danger that a process will be broken and there will be no one to carry the torch of our artistic life which today is still of a high standard. Where do I see the solution? After exposing the problems, an open system of support must be operated, with the help of the Culture Ministry and our leading artists, which will help progress by expanding the resources and their distribution, which will be much better than now. So, we ask for help so that an openly accepted system of support with its rational conditions, and not one incorporated into the tax system, should take place even in the 1989 budget, even if it is already apparent, as I have said several times, that its conditions will be worse than this year. We will deal with this in detail at parliamentary sessions later this year, in accordance with the previous decision.

As for concrete taxation matters, the ad hoc committee has placed the reduction to zero of the current 25-percent general turnover tax on works of fine art and industrial art on the list of tasks to be examined next year, with the proviso that the unified taxation of artistic activity must be resolved. According to another suggestion, cultural institutes should not be tax free but zero-rated, for in this case they can reclaim the tax paid on their purchases.

It is my judgment that the problem exists for all budgetary institutions which perform tax-free activities, for as institutions of consumption they are tax free according to the logic of the tax system. So, this is a much bigger and more comprehensive question than simply one of culture. The health sector, education—and I could go on—are in the same position. Although it is only expedient to decide on this question next year, during the reexamination of the entire system, I would note parenthetically that in accepting the 1988 budget with the approval of the esteemed National Assembly, we offset the general turnover tax by up to 80 percent for budgetary institutes of residual interestedness [maradvanyerdekeltsegue], and for ministries and county councils by subsidies. So, if they were reclassified into zero-rating, the support would have to be withdrawn.

Another proposal was that not only technical but also artistic-professional activity should have concessions for personal income tax, although one of the reasons for not being able to support the broadening of concessions is that this is an important reason for our having to apply such a high rate of progressive taxation in order to levy the same volume of tax which would hold back productivity. I must also say in this case is that the objective was to give preference not to professional activity but to technical activity. The National Assembly will have to decide next year on this issue in this context.

Of the questions relating to personal income tax, the greatest material effect is exerted by the SZOT proposal to cut by 1,000 forints a month the taxable earnings, per child, of single parents bringing up two children. The draft contains two alternatives on handling incomes of exchange of entitlements to renting homes. The essence of the difference between the two alternatives is the question of whether such income should be tax free or not. In favor of tax-free treatment is our important interest in facilitating home mobility, but tax obligations raise an obstacle to the intensification of speculative incomes. Serious arguments can be made for and against both alternatives; I am asking the assembly to decide on this.

Besides the minor adjustments proposed, a fundamentally new element in the law is the requirement that the tax conditions of private enterpreneurs, i.e. artisans and private traders as well as lawyers, should fall within the scope of the personal income tax. This way the taxation of private enterpreneurs will be less complex. If you support our proposals, administrative work will be cut. Instead of the present two-channel tax deduction, the incomes in this sphere will be regulated only by the personal income tax.

Among the proposals submitted, both regarding the personal income tax and the general turnover tax, only changes favorable to taxpayers can be found. Beyond the already mentioned effects on the budget regarding the general turnover tax, the proposed modifications regarding the personal income tax will cut taxes by some 300 million forints in'89.

Although it has only an indirect bearing on the proposal submitted, I wish to inform you that in view of problems of interpretation, uncertainties in legislation and application, the financial administration wishes to provide in

the case of both taxes free self-checking opportunities during a grace period. We will take care of this within the framework of the modification of legal regulations on tax administration procedures.

Finally, I would like to thank everyone who with their observations and suggestions have helped prepare the changes. I ask the esteemed deputies to approve the proposed changes to the laws on the general turnover tax and the taxation of incomes of private individuals, in conjunction with the amendments requested by the ad hoc committee and accepted by the government.

Pozsgay Addresses PPF National Council

LD1210031688 Budapest Television Service in Hungarian 1830 GMT 11 Oct 88

[Excerpts] The National Council of the PPF has discussed the place, role, and tasks of the movement in today's Hungarian society. Gabor Kapuvari reports:

[Kapuvari] [Passage omitted] Imre Pozsgay, state minister and member of the Politburo, also spoke at the debate.

[Begin Pozsgay recording] Without a doubt, political reform currently has greater possibilities for advancement. Economic room for movement has become terribly narrow, but we should not fall into one-sidedness again. Let us not imagine that the political reform is a replacement, a substitute for economic reform [words indistinct]. If we intend political reform to be a consolation prize for the economic [word indistinct] which has not come about, then at the same time we will become entangled in a false political alternative, (?which) was the contrary when the political reform became paralyzed, beside the introduction of a [words indistinct] economic force. Here, the economy has debts; there is need for a turnabout in economic policy, too, [words indistinct]. [end recording] [passage omitted]

Further on Address

LD1210034888 Budapest MTI in English 2327 GMT 11 Oct 88

[Text] Budapest, October 11 (MTI)—The Tuesday [11 October] session of the National Council of the Hungarian Patriotic People's Front was addressed by Imre Pozsgay, member of the Political Committee of the Hungarian Socialist Workers Party and minister of state.

He noted that the People's Front formulated its tasks with the intention of renewal, and that the organization has an indispensable and growing role in the political structure of the future. However, self-examination and self-knowledge is necessary, relation towards the various political organizations and movements has to be clarified, and a political perspective provided to members.

The minister of state, recalling the party conference in May, said that the events mainly served to avert a governmental crisis, and aimed at renewal in the leadership, in harmony with the will of the party membership and society. He stressed that the present leadership did not cause the country's current difficult situation, but will have to bear its consequences for several years to come. Clarification of this is important as there is no progress and new consensus without confidence.

The Patriotic People's Front can stand its ground also in the created political scope of movement, he said, then noted that in the course of recent years the positions of the organization have always made a stand for and given support of reform. In this context the minister of state held it important to stress that the movement has not utilized the misguiding means of reform rhetoric, but on the contrary, accepted conflicts by the renewal of certain institutions.

Imre Pozsgay called the attention of the National Council to the fact that there are greater opportunities for progress today in the field of political reforms, as the economic scope of movement has become extremely narrow. At the same time, we cannot consider political reform to be a kind of substitute for economic reform. Were we to do this, we would likewise become involved in false political alternatives as formally, when political reform was lost alongside imagined economic advantage.

The minister of state stressed that the democratic cooperation of the entire people is necessary for the new consensus. As the government is aware that smaller or larger groups cannot solve the country's problems, it requests cooperation from the People's Front. Imre Pozsgay noted there is no alternative to the acceptance of pluralism or constitutional state in the Hungarian society of the future. This is not related to the will of the political party that accepts a leading role, or of the government.

Discussing the importance of publicity he mentioned that although the semblance of publicity can be maintained and truth concealed for a short time, such action has a comeback. This can be prevented if we accept publicity on a principled basis, the minister of state said in conclusion.

The contributions of the debate were summed up by Istvan Huszar, general secretary of the Patriotic People's Front, who proposed that the National Council convene a conference of professionals early next year.

At the end of the session, National Secretary Bela Molnar announced that the social debate on the bill on the right of assembly and association has ended. Some 1,300 forums were organized, which were attended by more than 30,000 people.

Goenczi Discusses Closed KISZ Session

LD0810143588 Budapest Domestic Service in Hungarian 1100 GMT 8 Oct 88

[Interview with Central Committee Secretary Janos Goenczi by correspondent Laszlo Gardai; date and place not given]

[Text] The KISZ Central Committee is meeting in session. Because consultations on the first point of the agenda took place behind closed doors, my colleague, Laszlo Gardai, cannot report on that. We can only carry the breaktime conversation with Central Committee Secretary Janos Goenczi:

[Begin recording] [Gardai] It was necessary to wait 2 and ½ hours for the break. The closed session has just ended. What was the debate over?

[Goenczi] The KISZ Central Committee heard a briefing on the session of the party Central Committee, and properly speaking, not very unexpectedly, a sharp debate deveoped at the Central Committee session in connection with this.

[Gardai] Recently, the KISZ, and personally, Csaba Hamori, have been attacked. Was there talk of this?

[Goenczi] A domestic political debate is currently underway in Hungary. Some are criticized, and perhaps they are also praised. This debate is over what should be the stand of the KISZ Central Committee.

[Gardai] Did you manage to reach a common denominator?

[Goenczi] A unified position took shape in that we should consider the situation soberly, calmly, and that the Central Committee needs a separate agenda when it discusses where it should go and how; this should take place this month. This, to a certain extent, can be separated from preparations for the KISZ conference, because the issue here is how, and in what manner, we politicize on topical affairs.

[Gardai] Why was a closed session necessary?

[Goenczi] Because the Central Committee heard an itemized report on the party's Central Committee session, and our opinion is that it is the party Central Committee itself, and not us, who should give information on the party Central Committee's session. And this is how it happened. At the same time, in connection with this, we obviously have to hold our own internal debates on a series of issues.

[Gardai] The other point on the agenda which would be discussed, concerning the material that the KISZ conference will debate—will it be public or not?

[Goenczi] We plan for journalists to be present in the hall. The KISZ Central Committee is expected to prepare a communique, which will enable its members and non-KISZ members to think about how to shape their relationship with the KISZ conference. [end recording]

Kotai Assesses Changes in Socialism, Bloc Ties

LD0210220988 Budapest Television Service in Hungarian 1800 GMT 2 Oct 88

[From "The Week" program; interview with Geza Kotai, director of the MSZMP Central Committee Foreign Relations Department, by unidentified presenter; date and place not given]

[Text] [Presenter] The fact that Hungarian journalism these days discusses in more detail the Western speculations regarding Gorbachev's situation and strength does not, I think, increase doubts but shows how great the stake is in this affair for a reformist Hungary, too. In this knowledge, we asked Geza Kotai, director of the Central Committee Foreign Relations Department, how we can evaluate, from our own point of view, the Moscow events of yesterday and the day before yesterday, including the personnel changes.

[Kotai] A political struggle, a political battle, is never a triumphal march. Naturally, if something is not a triumphal march, then there are dangers too. But, we should not attribute too much to this.

I was optimistic; the changes reinforce this optimism. There had been talk for a long time that for the new politics, for perestroyka, the appropriate personnel and organization conditions must be created. There had been talk for even longer about the reorganization and significant reduction of the Soviet party apparatus and particularly the central apparatus. The Soviet Communists have now reached the stage of implementing this. When there is a reduction, reorganization, it happens that certain people are not needed. It is my opinion that the CPSU Central Committee settled this question, this problem humanely, in a civilized manner, and I see the changes as pointing in the right direction. We are talking about a process which advances perestroyka. I can say with a clear conscience that we Hungarians, that is Hungarian Communists, can greet this; moreover, we can take further strength from it.

[Presenter] Can we say then that the conditions in the socialist world have become even more favorable now for a Hungarian unfolding? I ask this, because we have been saying for months that the socialist conditions are favorable, but then at the same time there is the situation in Nagorno-Karabakh, in Yugoslavia, in Poland—I do not want to talk separately in this regard about Romania.

[Kotai] Every process or rearranging is a struggle. I hope that the Karabakh problem, and the other nationality problems of the Soviet Union—which were not brought to life by perestroyka, but it was perestroyka which made

it possible that the worries and problems which had accumulated over decades should come to the surface. [sentence as heard] I believe that a humane solution which satisfies all sides can be found sooner or later. I have confidence in Comrade Gorbachev and the Gorbachev leadership; I have confidence in Rakowski; I have confidence that in Yugoslavia too, they will sooner or later find, if not the final solution—for while we live there is no final solution—at least a optimal solution. And, I very much hope that, even if not greatly, we can move somewhat in Hungarian-Romanian relations, too.

I would say that all that happened in the Soviet Union on Friday and Saturday in relation to the organization and personnel conditions helps us, helps our (?broken) reform process, helps our renewal.

[Presenter] Obviously, it was striking not just for me, from the communiques, the great extent to which the MSZMP Central Committee session dealt with the problem of Hungarian-Romanian relations. Obviously, it is not a precise evaluation of the matter either that the interest of public opinion is extraordinary. What is more, there is a certain distance too, between the very great expectation of the people, all of the people, and the results achieved. How can this distance be reduced? For here, every word is separately considered by people, that is, who says friend and who says comrade, to use the most simple concepts. Can this distance be reduced in some way?

[Kotai] I hope that is has been reduced. It is our unchanging aim to develop correct relations, good-neighborly relations with neighboring Romania, to develop cooperation in all areas. I would draw attention to the fact that the communique also formulates unequivocally that all those problems which burden Hungarian-Romanian relations must be unchangingly kept on the agenda, and we must move them in the direction of a solution. Well, here it is a question of nationality rights, the bearing on the nationalities of the so-called settlement ordering plans, the question of the consulate-general, the question of the Hungarian House of Culture, and several other problems which burden it.

I think that the momentary confusion or troubledness, or this distance of which you spoke, is ending. Our public opinion understands that the problems of at least two decades—and unfortunately, accumulating problems, because newer and newer ones appear while we have not been able to solve the old ones—cannot be solved at a stroke from one day to the next. I have great confidence in the understanding of public opinion that in foreign politics, and in the case of such grave problems, spectacular results cannot be achieved. Very persistent work is needed for this.

[Presenter] I think many people can acknowledge this also from the new problems which arise. For example, I am thinking of the fate of the Romanian-Hungarian refugees who appeared at our Sofia embassy. Is this being settled in some way?

[Kotai] Yes, well the question, or this problem, can also be put thus: That we created this problem for ourselves. This, of course, is not true. When we undertook to help, to accomodate, those who were resettling naturally the number of those requesting this, or the demands, increased. And this is requested not just directly from Romania, but from various points of the world.

There is a great problem here. Despite the fact that responsible officials in Bulgaria are showing the maximum willingness for cooperation, they have bilateral agreements with Romania which do not make it possible for these 12 individuals to come to us directly. I must tell you that we are making very great efforts; we are carrying out talks in many directions; we feel our responsibility; we will not abandon them as we have not abandoned them up to now, either. But I do ask the viewers to forgive me if I say no more now. Were I to say more, then perhaps I would be damaging the chances for a solution. This is a case where glasnost does not help. I hope that we will be able to give a complete picture in a few days' time, but we are carrying out very intensive work in all directions. I ask for your understanding. I cannot say any more now.

[Presenter] Let me ask, however, whether their fate can take a positive turn, in theory? Or even in practice?

[Kotai] Certain.... [changes thought] We have managed to turn in the direction of a positive solution already. But we do not have full guarantees yet.

[Presenter] I think that new possibilities are also opened before the Hungarian People's Republic that we have taken up—and just at the time of the Olympics—contacts with the South Korean Republic. How was this received in the socialist world? I am naturally now not thinking of Pyongyang's reply, for we know that.

[Kotai] Since we are now in a historical situation as never before—that is, our relations with every great power are completely normalized, we can turn our attention to those areas, those questions which we have not been able to deal with up to now. This is how it came around to South Korea, and that is, the Korean Republic.

Our leadership has been concerning itself with the question since 1983, with particular regard to the Seoul Olympics. But the situation is that the realities in the area, in the Pacific region, are today quite different from what they were in 1953. South Korea has gone through a favorable process in its internal political life. This type of process has also helped us to get to this stage. And, I repeat: We must start out from the realities. Six months ago—or 2 months from now—it would have offended the Hungarian national interest if we had not taken this step.

Here too, I would say that there is understanding, agreement from some of our allies. To my knowledge, these kind of prior, sounding-out talks are under way in those relations too. I would just offer one example: It is very difficult to compare central Europe and this part of Asia, but here there are the two German states. And both German states keep up well-developing, correct contacts with the other countries of the world. I think that we must keep this in mind before all, when we evaluate how we could reach this stage; and luckily we were able to get to the stage where we have established a permanent representation. I must say that in reality we call this a de facto recognition. This is not yet de jure, but I hope that the circumstances will develop favorably and sooner or later we will reach that stage too.

Kulcsar Submits Economic Association Bill
LD0610085488 Budapest MTI in English
1650 GMT 5 Oct 88

[Text] Budapest, October 5 (MTI)—Minister of Justice Kalman Kulcsar has submitted the bill on economic associations.

He said: The bill being submitted is significant from economic policy, legal policy, social policy and ideological aspects alike, and is one of the most important legal measures for a long time. The need for setting up a controlled market economy was a basic thesis of the economic reform launced twenty years ago. Today, it has become clear that, lacking a capital market, commodity and manpower markets cannot operate sufficiently. However, the creation of a capital market is inconceivable without the modern settlement of the social and economic relations of partnership ventures. The law on business associations can considerably contribute, through the acceleration of capital flow, to social property being utilized in areas that have the best possibilities for this with respect to long-term profitability.

One aim of the law on business associations is to expand the channels of direct capital flow between economic organizations, and, through their development, to reduce the risks to the budget and the banking system.

The law will also make it possible, by eliminating obstacles preventing cooperation between companies and citizens, to utilize individual savings for community aims under legal frameworks, to unfold individual initiatives in socialist ventures, and to strengthen the direct presence of foreign working capital in the Hungarian national economy.

The law extends to all business associations, from the simplest small venture to joint stock corporations, with the exception of cooperatives. (A special law on cooperatives is in force for cooperatives in Hungary.)

Discussing the socio-political effects of the law, the minister of justice stressed 'We hope and expect that this law will promote capital flow and a boom in investment and ventures. We should be aware that this increases differences in incomes, that incomes will originate from the acceptance of risks and investments in themselves, and that it will, according to our intentions, be possible to invest these once again, resulting in further incomes. Of course, the ideological treatment of differences in incomes will arise, and the inequalities related to them is necessary. This, however, is connected with the necessary change in the historically-created picture of socialism, which this bill reflects, but it obviously cannot be the task of the bill to solve the ideological problems arising from this change'.

The minister then explained that the conditions for transforming one economic organization into one another are not appropriately settled. This law would regulate such an issue. To avoid monopolies, it would regulate the fusion of partnerships, and would detail the possibilities for the transformation of cooperatives into economic associations. The law on business association states that economic organizations, including state companies and cooperatives, can also be transformed into business associations.

Discussing partnership opportunities for individuals, Kalman Kulcsar said, 'contrary to the past, citizens will be able to form partnerships with domestic and foreign economic organizations, without restrictions. Private individuals can also set up various partnerships, including limited liability companies and joint stock corporations. It will be possible to set up partnerships without personal participation, exclusively through financial contribution, or to participate in them.

'In these legal decrees, we have set out to get rid of all red tape preventing private individuals from entering such ventures. The state, with market intervention possibilities, can keep an eye on ventures involving private individuals, should this become necessary. The law does not make it possible to set up closed companies, or to refuse over-quotation by the state, so that, if need be, the state can suitably transform a joint stock corporation consisting exclusively of (domestic) private individuals, by purchasing the shares. As an ultimate guarantee, which has come under debate from several points of view, the law contains the measure that the number of employees in an economic partnership consisting of private persons stand at a maximum of 500.

Overall, ventures involving private individuals will receive far greater opportunities. However, the law—jointly evaluating all of its measures—lays the foundation for unfolding a mixed economy in which the state will control key economic positions, stressed the minister.

In the interest of boosting the involvement of foreign working capital, the law considerably increases the opportunities of foreigners to set up partnerships, said Kalman Kulcsar. He underlined particularly that, under

the law, foreigners can set up partnerships with Hungarian private individuals. All forms of association regulated in the law also apply to foreigners. They can set up not only legal entities, but can also participate in smaller, more simple ventures, and the founding of a partnersip consisting entirely of foreigners, with 100 per cent foreign ownership, is also possible.

Under the bill, should the foreign share be under 50 per cent, no special permits are required for the registration of business associations by a court. Special permits—that is the joint permission of the ministers of finance and trade—are needed only when the foreign partner holds a majority of shares. In these cases, it might be necessary to give priority to the interests of the Hungarian state. In the interest of speeding up the permit procedure, the bill states that, should the authorities concerned not give a reply within 90 days, the permit will be considered granted.

Kalman Kulcsar announced that a law determining the conditions and the protection of foreign investments is currently under preparation and will be submitted to parliament this year. The law organizes the financial, labour and other rules referring to foreign participation into a uniform system. In conclusion, the minister requested the National Assembly to enforce the bill.

Sejm Session Approves New Government

Election Procedures Reviewed

LD1310200088 Warsaw PAP in English 1852 GMT 13 Oct 88

[Text] Warsaw, Oct. 13—After the conclusion of the plenary debate in the Sejm (parliament), Sejm committees expected to opine the candidates for government members proposed by the prime minister today started their sessions this afternoon.

This procedure was introduced in the Sejm 8 years ago. The candidates present their programs and answer the deputies' questions. The final decision on appointment of the new government composed of the candidates proposed by the premier will be taken by the Sejm tomorrow.

Rakowski Speech

LD1310145588 Warsaw Television Service in Polish 1303 GMT 13 Oct 88

[Speech by Premier Mieczyslaw Rakowski at the Sejm session in Warsaw—live]

[Text] Citizen Speaker, may it please the House!
It is not true that Poland must suffer from stagnation, hopelessly running in place, becoming a country inhabited by discouraged and embittered people. It is not true that nothing good can be done in Poland. Such a picture of Poland is a lie and is false. On the other hand, it is true that Poland has so far been unable to cope with the results of the socioeconomic crisis. Examples are visible in almost every sphere of life. Many people, even those in hard-working and productive labor, cannot make ends meet. Everyday life is burdensome, unpleasant, not to be endured in the longer term.

The government, making use of all existing and realistic possibilities, will seek to ameliorate and eliminate all that makes life difficult, all that awakens justified dissatisfaction. I do not announce in advance what we shall do first, because there have already been too many announcements. The government will inform society not so much about its intentions but more—and I desire that more frequently—about its decisions and results. What I intend to present to the esteemed chamber is free from figures and percentages. They can be found in the extensive report on "The Condition of the State" dated 13 October 1988 that I have passed on for the information of the citizen deputies. Moreover, the report has been published in today's issue of RZECZPOSPOLITA and the gist of it reported by other mass media. It is a kind of protocol of what has been done for acceptance. When you read it, citizen deputies, you will learn what inheritance the government is taking over and what calls for a solution.

Poland is a country of millions of people who want to work well and efficiently. It is up to the government to create the conditions which will make it easier not to waste physical or mental effort. I see our task as the persistent overcoming of barriers, obstacles, and bureaucratic hindrances, in creating conditions for initiative and enterprise. I propose an alliance between the government and those of our fellow citizens who are fed up with doing little, with stifling the initiative of the individual, with stupidity and thoughtlessness, with cheating oneself and the state, with soulless bureaucracy, with the citizens' distrust of the authorities, with the excessive number of inspections which interrupt people's useful work, with make-believe activities, with the fatalistic—it will be alright in the end—attitudes, and with the nonsensical asking the heavens for revenge. Such an alliance is needed.

I propose an alliance against throwing billions of zloties out the window, against squandering them, against wasting the limitless reserves of human abilities and dynamism. I know such an alliance is not easy to achieve, but it is not only needed but, in fact, necessary. I propose an alliance against all those who say: This is impossible; one cannot do this; there is no money for it; they will not agree to this; and so on, to any new or unusual proposal.

Let me quote a fragment of a statement by Jozef, Cardinal Glemp, primate of Poland, granted to Polish Television after his return to Poland from his last stay in Rome. The primate said: We are all bored with waiting for something. We must all start to shape the reality. A joint effort is needed.

I rely on the help and support of all of our countrymen. Many of them have sent me congratulations, assuring me of their support for the government's reform activities. I believe that they will confirm this with actions. I rely on the favor and support of the many millions-strong Polonia. We will open the doors of the mother country even wider for all who feel ties with the land of his fathers and grandfathers, who wants to see a Poland of which he can be proud. I agree with the advocates of full normalization of relations with those in exile. I rely on the favor and cooperation of leading personalities from the world of politics, industry and trade, science, culture, and also journalism with whom I have had contact in the past decades during many international meetings on all the continents. I thank them for the wishes they have sent me and also the words of encouragement. I ask them to participate in the shaping of a favorable attitude in world public opinion to the great transformations that are being carried out in my country. I rely on the undying political support of my party, its Central Committee, and the PZPR Deputies Club. I began my state work nearly 8 years ago, under the direction of Wojciech Jaruzelski, and I want to be a premier of his kind [byc premierem z jego szkoly].

Comrade general! I rely very much on your friendship, support, and advice. The government that I will direct will draw political inspiration from the coalition that

specified its basic construction. As premier and a member of the Politburo, in accordance with the intention of the seventh plenum of the PZPR Central Committee, I will propose such an ordering of relations between the government and the party leadership that political approval will relate only to the main directions of government policy and especially in its social aspects. I also rely on help and support from our traditional allies, the ZSL and the SD. We have come a long way with them; it was often a winding and uneven road.

Today, we are creating a partnership system. The government will take care that the cooperation and joint activity of the three parties, the structure of the central and particularly territorial state administration, should progress without tension and misunderstandings. I am counting on the help and goodwill of the leadership and the members of the parties, of the Christian Social Association, and the Polish Social-Catholic Union.

We will strive for honest partnership with the trade unions and socioprofessional organizations of farmers, for living links with the self-managements of enterprise workforces, for permanent and close cooperation with youth organizations, with unions gathering together people of culture and science, and with social associations in existence and those being founded.

May it please the House. During meetings conducted in the past 2 weeks with representatives of various communities, a question was often put to me concerning the so-called philosophy of government. My answer is that the new government will take up its work with the awareness that everything which is still the inheritance of the Stalinist period must be cleared away. We will create facts which will shape the face of a democratic, legally governed, and modern Poland and everything which is standing on its head shall be placed on its feet. What is important is a socialism in which every honest patriot should feel good, should be able to influence matters concerning his workplace, his housing, and the territorial and central authorities.

The Poland of tomorrow can, and should be, a land of technological innovation, and social and political innovations. This is not dreaming, this is a realistic chance. It is necessary to believe in it and to take advantage of it. We believe in the philosophy of rapid and radical reforms, which get through to the core of evil. At the same time it will be the philosophy of gradual steps, reaffirmed in practice, made dependent on the range of their understanding by the involved groups and by all of society. Those who want to violently speed up the social and political transformations, taking as their point of departure that the only factor which shapes reality is the human will, cause conflicts which distort the reforms and later slow down their course. The impatient ones most often get results which are contrary to their aims.

Polish society has become desensitized [znieczulone] to programs, plans, and announcements. It only believes in deeds. The inflation of words has become as bad as the inflation of money. We shall work daily having in our minds and before our eyes the anger and the rebellion of the young people caused by housing lines and the feeling that Poland today is a land of poor prospects, the fear of the older people of becoming poor in their old age, the uncertainty about social security and the standard of living, a lack of hope to achieve standards which in Europe of the end of the 20th century are in general the norm, the disbelief of a significant part of society in reforms and transformations, and the moods of pessimism, passive waiting, and frequent apathy and bitterness which have grown from these foundations.

But we shall also remember the deeply ingrained simplifications, according to which everyone has to live somehow, irrespective of their efforts, and the government will hand out pay increases, goods for the market, and keys to a new apartment, as well as the paralyzing envy which makes people strive to ensure that everyone has a little rather than everybody gaining more. Such are and will be our points of reference marking out our philosophy of governing.

The direction of deep social and economic changes is dictated by economic reform. At its heart must be a search for normality and solutions which are simple, logical, effective, and above all understood by the people and accepted by them. We are not going to be a government with its stare fixed dogmatically on abstract economic models. What matters is the rapid social results of management. We shall avoid such solutions which arouse universal public opposition. But radical moves are going to be unavoidable. We shall have to tread on many toes and it will hurt some people. Not, of course, those who are working productively and efficiently, who are taking up the toil and risk of reform, who are interested in it and implementing it. And after all there are a great many of these. It is precisely they who are showing in practice that others can do much more than these others are doing today. It is this which should be one of the main criteria of personnel policy.

Should reform be feared? Indeed! It should be feared by the authors of pseudo-successes, the manipulators of indicators and prices who are making fortunes through dishonest methods, and finally those who love loafing. This last group will have to struggle for economic survival, while the state and the public will provide assistance to those who for a variety of reasons not of their making cannot do more, in their struggle against the difficulties.

We will not promise to give all the people everything they want so as to then give everyone with delay a part of that which was promised—that would damage the aims of the reform. A very important task for the government will be to ensure the strict consistency of current economic policy with the reform's regulations. So far, the

reform has been constructed in accordance with the program of law making and partly, so the public judged, it was art for art's sake. Real economic policy all too often took place under the pressure of traditional methods, for which only the instruments resultant from the reform were used. It also ran under the pressure of current needs and limitations. The will of the government will not remove them. We are therefore ready to risk the transitory unfulfilling of certain needs, those that we can put up with for a while longer, for the sake of getting the mechanisms of the reform really starting to function. This demands social consent and patience, which is difficult to obtain. Despite this, I appeal for this consent and this patience.

May it please the House! Polish people, and especially the authorities, are universally accused of lack of consistency. Many matters are taken up by us but all too few are completed. We want to be consistent. We should be consistent. I cannot, however, fail to set the citizen deputies and all those of our countrymen who are listening to me at the moment, the following question: Are you ready to agree with the results of consistent activities?

Consistency in the restructuring of our economy means, as a consequence, the bankruptcy of liquidation of enterprises; it means that thousands of people may face the necessity of changing their jobs, of retraining, or even of looking for a temporary job. Shall we obtain permission for a situation where a man has to look for a job and not a job looking for a man? In the reformed economy the rules of the economic game must function to the fullest. The fundamental indicator should be profit. Production has to be profitable and thrifty, and the price has to be calculated according the demands of the market. In such a game there are not only winners, there are also losers. If we begin this game, will there by no mean complaints about a breach of the principles of social justice? Throughout Poland one can hear the demand to end, or at least reduce, the subsidies for unprofitable enterprises. The government intends to do that. However, I ask: Will the effects of such a policy be accepted by society, and particuarly by the work enterprises involved? The principle of a fair day's pay for a fair day's work is gaining universal support verbally. But this means a considerable diversification of individual wages. However, in practice, pay raises, bonus payments, and awards are estimated in such a way that the existing and little diversified pay systems are not affected.

I ask: Shall we obtain consent for the consistent and just diversification of pay—not verbal but real consent?

A condition of good, productive work, enabling a rise in the standard of living, will be the elimination from enterprises and offices of workers of low productivity, who are passive and dispensible. Will institutions, managements, self-managements, and workforces move decisively in this direction? The achievement of tangible progress in housing construction requires the halting of certain other constructions, for which, very often, quite considerable expenditure has been incurred. Suspended investment is also someone's halted zeal, the postponement of the realization of the needs which it was supposed to meet. We are not, after all, erecting palaces or pyramids.

Will there be agreement for consistent activity in this area, to the (?consequences) of this activity? There is general talk of the necessity of attracting foreign capital to Poland. This is an understandable and justified postulate, but for foreign capital to be attracted to us, however, we must create for it really favorable conditions at the starting point. Will there be public consent for this? These are barely a few, selected examples where decisive, consistent activity would be useful. They concerned well-known issues. These activuities are socially, verbally approved and awaited, but is this alsxo the case wehen they affect everyone?

The government is prepared for consistent activity, but will we not find ourselves alone? Will we gain the real and concrete support of the esteemed chamber, and at least of that part of the public which declares itself for deep reforms and demands a great shake-up? I do not have a complete reply today to these questions. However, we have to be clear on these key issues. We will work hard to achieve this.

Ladies and gentlemen deputies. For 2 weeks I have been showered with questions about a list of priorities. On what issues will the new government concentrate? I have also been receiving a great deal of advice, including personal. Some of it is touchingly oversimplified, some of it carries great authority. This is the best evidence against the thesis that on the Polish stage, on the one side, there are the authorities, and on the other, the public, which feels total animosity toward them. I have never believed these statements to be true. The list of burning priorities is unusually long—prices, wages, dangerously growing inflation figures, housing, services, polluted rivers, lakes, the atmosphere, trashy goods, medicines, cotton balls, shortage of televisions, and so on and so forth. We will strive to cut back these weak points. That is one list of priorities. There is also another one, which contains tasks of strategic importance for the country's present and its future.

In first place we put the development of agriculture and the agricultural and food industries. We are not announcing a green light for agriculture, as enough of these lights have already been turned on in the past, although it is worth recalling that in the present decade the Polish countryside, year by year—thanks to the agricultural policy of the party and the United Peasant Party—has been delivering more and more agricultural produce. However, we maintain that the state's economic policy must create such conditions for the food producers as would not only enable the country to feed itself, but also increase the exports of agricultural produce.

Farmers do not need to be persuaded to increase production. I come from a farming family and I know what Polish farmers are capable of. I do not need to appeal to them for selfless work. What I need to do, on the other hand, is to influence the industrial barons, the planners and specialists for ministerial thinking, to recognize the significance of agriculture, its needs, and to take into consideration farmers' pockets. We consider housing as our second priority: I do not need to justify the reasons. Third place will be taken by the protection of the environment. The world has entered a promising phase of development. We are going in the direction of the badly wanted permanent peace. The danger of nuclear war is moving further away, but at the same time there hangs over humanity the danger of peaceful self-annihilation, as a result of the merciless destruction of the natural environment, the unprecedented violation of the laws of nature. That is why we have placed protection of the environment in which man lives on the list of priorities of strategic significance. Within industry, production meeting the basic needs of families, and production in selected areas, bringing the quality of life closer to world standards will be given priority. We will also allocate investment resources to modernization facilitating savings in coal, fuel, and heat.

The success of all economic intentions will depend upon the development of profitable exports. This is a condition for the increase in imports and the simultaneous repayments of the debt. We will make indispensible corrections to our economic policy in the consolidation plan, which is currently being prepared.

The new government will continue the foreign policy line pursued so far. Its substance requires no correction. For a long time its characteristic feature has been openess to every peace initiative, and every kind of cooperation inspired by striving for an increase in confidence among nations, free from interference in Poland's internal affairs.

The government's priority will be to consolidate the international standing of socialist Poland, and to ensure such political and economic bonds to it which would make it easier for us to overcome our difficulties and accelerate the reform. We will strive for this aim in an unusual period. The world is subject to very fast changes. Gorbachev's new thinking and the common European house are creating an opportunity for us to get rid of political antagonisms, as well as economic, scientific, and technological separation between the two parts of Europe. Poland, like our other friendly socialist countries, will make its contribution to using this opportunity to the fullest.

The foundation of the foreign policy of People's Poland is and will remain the close bond with the Soviet Union. We will fight against whoever wants to undermine and weaken this alliance without compromise. Our economic and political reforms have a lot in common with the Soviet restructuring, Poland is a large and important country in the socialist community. If our economic reform failed, and deliberately instigated conflicts and political tensions caused disturbance, chaos, and a threat to socialism, the credibility of Soviet restructuring—so beneficial in its effects on the world, Europe, and Poland—would be seriously damaged. Everyone who irresponsibly and in a short-sighted way paints anticommunist banners, or grants interviews in which he says that he understands accord as the liquidation of socialism in installments, should understand this.

Thus it is a necessity of the moment to create an alliance of realists against those who wish to disturb the process of transformations taking place in socialist formation. In relations with all socialist countries the government will strive to widen the existing scope of cooperation in all fields of social and economic life. Also, our economic, political, and cultural cooperation with neutral and developing countries will not weaken.

For centuries an essential place in Polish political thought has been occupied by relations with the West. The current state of relations, particularly economic relations with several states playing a leading role in the Western world, cannot be considered as normal and satisfactory. Those states—particularly the United States—have adopted a policy of wait-and-see toward Polish authorities. Are they waiting for a new conflict in Poland? New break-ups? Perhaps. Is this why political, propaganda, and financial support is being given not only to the internal opposition, but also to the extreme opponents of socialism?

If the U.S. government seriously treats its previous declarations concerning Poland as encouraging bold reforms, then it should be stated that there are no grounds for obstructing our cooperation with international financial organizations. We are open to a further improvement of our relations with the United States. Washington says: step by step. Good, but with bigger steps.

In our relations with the FRG, we are prepared to achieve significant progress, frankly, a breakthrough. Taking care of our primary, national rights, we will not, at the same time, measure with an apothecary's scale our proposals aimed at enriching relations. Together we can still do a lot for the peaceful, friendly coexistence of current and future generations of Germans and Poles. We declare to the FRG Government: We are not advocates of putting off until tomorrow, or the day after, that which we can do today.

Shortly we will be receiving the distinguished European statesperson Mrs Thatcher, premier of a state to which we have been joined in the past by allied links. We see London as an important center for the shaping of the political situation in Europe. We hope the visit will help strengthen mutual confidence and cooperation between Great Britain and Poland.

It is with honest satisfaction that we note the development of Polish-Italian relations, which, frankly, are taking on an exemplary character. In particular, the realistic outlook of leading politicians of the Italian Republic on our country and its problems does not escape our attention.

As regards France, we want to believe that the assurances I heard from Foreign Minister Dumas during my visit to Paris in June this year concerning the keen interest of the French Government in an improvement of traditionally good Polish-French relations, will shortly materialize.

May it please the House. Our foreign and internal policy will be shaped under the sign of openness. The more forces we master, the wider will be pluralism and freedoms. The aim of the government I lead is to improve the situation so as to strengthen social prosocialist attitudes. This will be made possible by speedier progress in essential political reforms. I am presenting the philosophy of daring, gradualness, and a balance of forces; it will map out practical actions of the government. We will not hesitate to ensure peace for the state and citizens with a firm hand, to ensure order for reforms, and ensure security for Poland's socialist orientation.

I know that in this respect I can count on the activity of the services called upon to secure legal order, and on the unfailing support of the Polish People's Army. For a long time I have been among the convinced supporters of democracy and the determined opponents of anarchization of social life. We will not hesitate to overcome conservative recalcitrance, to clear the path for transformations, and to take up the challenges of the forthcoming century. We reject the remnants of methods of government and the social, political, and economic relations which have become obsolete and are obstructing progress. The government will not allow socialism to be undermined, but it desires to freshen and consolidate it. I will not lead a conservative government.

Our government begins work on the eve of the opening of the proceedings toward it with the best will. We are striving for a sensible compromise that will ensure the maximum possible change in relations, while at the same time guaranteeing the stability of the socialist state.

An accord is possible: An accord is necessary. But an accord presumes compromise and joint responsibility. The road of accord goes through stages at which the veracity of undertakings and the honesty of joint responsibility will be checked. Proceeding along that road we can get far and achieve much. But if our partners start counting the chickens before they are hatched—and alarming reports about such intentions are arriving from various sides—if they want to maximize demands and avoid sensible compromise, that will mean that their understanding of Poland's true needs has not yet matured.

I consider it purposeful, as the head of the government of the socialist Polish state, to issue a caution from this platform about the fatal consequences of irresponsible actions, the creation of faits acomplis, and the destabilizing of the life of the country. We expect that the majority of our sisters and brothers, all realistic forces of our nation which love our Polish land, will support the cause of reforms and accord, and oppose all that could interfere with these great hopes and opportunities.

Citizen deputies. We have to address separately the issue of relations with the churches—particularly the Roman Catholic Church—whose believers constitute the majority of our people.

We wish to consolidate the achievements made to date, and above all, to increase mutual trust and to develop cooperation. The government intends to bring about the regulation of the legal status of the church and the establishment of diplomatic relations with the Vatican as soon as possible. Agreement with the church (?will in principle, become a fact). I regard my mission as being the earnest attraction of citizens—having the confidence of the church—to their participation in co-responsibility for the Polish state by overcoming distrust and prejudice. While not blurring over origins of differences of opinion, we intend to find a program point of contact, resulting from an already often convergent understanding of the glaring needs of Poland and the Poles. Together, we are building a Polish historic compromise. Let it become a strong foundation for our policy and the future of our nation.

May it please the house. Our government will take up its work with the conviction that the country must be given a jolt, many of our compatriots a shake. In order to change anything for the better, often we will have to go against the current. In the name of reform and development, we will not take fright at protests and harsh press criticism. But we will also not govern by trusting only in our wisdom and righteousness. In accordance with the principle of open government—begun by Premier Wojciech Jaruzelski in 1981—we will publically discuss, consult, coordinate, seek support within organized and unorganized society for vital decisions, but we will then defend our policy unrelentingly. We do not intend to bend, as we would not then achieve anything: We would only enter into disgrace, criticized by the Sejm and society for the wasted years and opportunities. Either we will succeed or we will not. This depends on how much social support we gain, how many Poles we are able to stir, to achieve this great opportunity. But—may it please the house—as the premier, if I fall then, it will be from a high horse; because I wanted too much, and not because, fearful, I settled for too little. I believe we will succeed in kindling the initiative, imagination, and dynamism of joint activities. I believe most of society will not remain indifferent, and that it will grant the government active support. [applause]

I now move to the presentation to the esteemed House of the proposals for the composition of the Council of Ministers. The 2 weeks I was given by the Sejm for the formation of a cabinet, I used for meetings with many social and professional contacts. I also had numerous talks with leading personalities in our country, representating various political orientations. This was not time lost. I gained not only much advice deserving of serious attention, but also assurances of support for all reformatory activities of the government. It was universally—which I would wish to stress—demanded that the future government be strong and determined in its activities.

My desire was to construct a government whose coalition character could be broadened, and about which one could say that it is close to taking account of the desire—publicly expressed over the last 2 months—to be based on a broader social base than before. I presented this intent to all my interlocuters, and also to the Polish primate, Jozef Cardinal Glemp, whom I visited at his residence. I came to understand it. I envisaged a number of posts in the government being created for persons with less representation, or more clearly, the so-called constructive opposition. I envisaged the following posts for them: deputy premier; minister of labor and social policy; minister without portfolio, to whom I intended to allocate the maintenance of contacts with representatives of various milieux and social orientations; and also secretary of state in the Ministry of Town and Country Planning and Construction. The citizens to whom I proposed these posts declined to accept them.

I state before the esteemed house: I feel the desire to widen the coalition of forces holding power is historically and politically justified. I want to believe that in the end, the view—expressed by one of my interlocuters, an active Catholic activist—that absenteeism is today something harmful, will be victorious. Standing back, and limiting oneself to less, or more justified, criticism is undoubtedly more comfortable than participation in joint rule, and, which I wish to stress especially, the bearing of co-responsibility. It is easiest, as citizen Kruk from Biala Podlaska wrote to me, to profit from criticizing the authorities.

I will leave it to the public to judge the political stance taken by my interlocutors. One can, of course, look at the refusals I met with according to the proverb: What is put off will not go away. In connection with this, all the proposed posts remain vacant. The door remains open.

I attempted to create a government composed of courageous and unconventional people who will not have to be encouraged to reform the socioeconomic system, and who are able to conduct a constant dialogue with society. The assessment of professional achievements, qualifications, attitudes, and intentions presented by individual candidates, as well as the already-mentioned social and political consultations, have been a foundation for the presentation of the new composition of the Council of Ministers to the High Chamber. The candidates who are being proposed have met with the approval of those groups I contacted, where they have been active, as well as the approval of the Commission for Cooperation between the PZPR and the political parties, and the Patriotic Movement for National Rebirth National Council Presidium. I hope that they will also meet with the approval of the citizen deputies, and with trust and social support in implementing the tasks entrusted to them as part of the proposed government program.

I would also like to express my thanks to all the members of the Council of Ministers who, according to the Sejm resolution of 19 September 1988, held their posts until today. I will not propose to the High Chamber a candidate to the post of chairman of the Planning Commission because I intend to approach the Sejm with a proposal to alter the law on planning, which will result in a different placing of the planning body in the hierarchy of the management of the natonal economy. The issue, however, requires a serious discussion by the newly appointed Council of Ministers. I do not consider it reasonable to decide about such an important matter single-handed.

In the very near future I will approach the esteemed Sejm with a proposal to introduce appropriate legal regulations making it possible for the minister—head of the Office for the Advancement and Applications of Science and Technology—to chair the Committee for Science and Technological Progress attached to the Council of Ministers.

I would also like to inform the citizen deputies that, in order to consolidate the effective influencing of the economy, I will set up an Economic Committee of the Council of Ministers, to be headed by a deputy premier. The Sociopolitical Committee of the Council of Ministers will supervise the broad area of social and political issues.

Citizen Deputies; may it please the house, I propose the appointment of:
Citizen Kazimierz Olesiak to the post of deputy chairman of the Council of Ministers and at the same time to the post of agriculture, forestry, and food industries;
Citizen Janusz Patorski to the post of deputy chairman of the Council of Ministers;
Citizen Ireneusz Sekula to the post of deputy chairman of the Council of Ministers;
Citizen Lukasz Balcer to the post of minister of justice;
Citizen Bogumil Ferensztajn to the post of town and country planning and construction;
Citizen Jacek Fisiak to the post of minister of national education;
Citizen Zbigniew Grabowski to the post of minister, head of the Office for Scientific and Technical Progress and Implementation;
Citizen Dominik Jastrzebski to the post of minister of foreign economic cooperation;
Citizen Michal Janiszewski to the post of minister, head of the Office of the Council of Ministers;

Citizen Janusz Kaminski to the post of minister of transport, shipping, and communications;
Citizen Czeslaw Kiszczak to the post of minister of internal affairs;
Citizen Jozef Koziol to the post of minister of culture and art;
Citizen Aleksander Kwasniewski to the post of minister, member of the Council of Ministers with the intention to entrust him with the post of the head of the Sociopolitical Committee of the Council of Ministers;
Citizen Wladyslaw Loranc to the post of minister, head of the Office for Religious Affairs;
Citizen Marcin Nurowski to the post of minister of domestic trade;
Citizen Tadeusz Olechowski to the post of minister of foreign affairs;
Citizen (Izabella Planeta-Malecka) to the post of minister of health and social welfare;
Citizen Florian Siwicki to the post of minister of national defense;
Citizen Mieczyslaw Wilczek to the post of minister of industry; and
Citizen Andrzej Wroblewski to the post of minister of finance.

As part of the proposals submitted to the High Chamber, the activity and biographies of 11 persons were some time ago presented to the High Chamber and society as a whole, when they were being appointed to the government. Being convinced that the esteemed Chamber recognizes that as being sufficient, I would like to present concise data on the remaining candidates.

Citizen Kazimierz Olesiak is 51 years old. He is a doctor habilitatus of agricultural sciences, a member of the Presidium and secretary of the Supreme Committee of the United Peasant Party. After finishing the Main School of Rural Economy in Warsaw, he started teaching in the Department of Agricultural Economy in that school. Next, between 1968 and 1982 he was, among other things, an advisor to the deputy chairman of the Council of Ministers, an advisor on agroeconomic matters at the Presidium of the ZSL Supreme Committee, an expert of the International Food and Agriculture Organization, FAO, in Sri Lanka, and director of the deputy premier's office. Since 1982 he has been an undersecretary of state in the Finance Ministry. In 1984, and again in 1988, he was elected a ZSL official. Citizen Olesiak is the author of books, and of articles in national and foreign journals, on the subject of the food economy and agricultural policy. He is a Sejm deputy, and the chairman of the Agricultural, Forestry and Food Economy Sejm Commission.

Citizen Janusz Patorski is 42 years old. He is a graduate of Warsaw Technical University. Since 1984 he has been secretary of the PZPR Warsaw Committee, in which he concentrates on problems of industry, foreign trade, implementation of economic reform, as well as workers' self-management and trade unions. During his studies, Citizen Patorski was an involved activist of the Polish Students' Association [ZSP] in particular as a secretary of the regional ZSP Council. Following the completion of his studies he started work as a designer in the Polish Optical Works. In the PZPR apparatus he fulfills among other things, the function of secretary and first secretary of the [Warsaw] district committee of South Praga. He is the author of numerous publications on the political aspects of the organization of government, as well as various forms of economic education. He is a joint initiator of the so-called economic and government laboratory for management personnel, as well as postgraduate studies for enterprise management policy. He is a member of the party-government commission for the review and modernization of organization structures of the state economic management.

Citizen Lukasz Balcer is 53 years old. He is a graduate of the Law Department of the Adam Mickiewicz University in Poznan. He has been an undersecretary of state in the Ministry of Environmental Protection and Natural Resources for 2 years. On completing his studies he worked in the courts, and then in the legal profession. In 1965 he was elected chairman of the Municipal People's Council in Gdynia, and next as deputy chairman of the Voivodship People's Council in Gdansk. Since 1974 he has held the post of secretary of the Voivodship Democratic Party Committee in Gdansk. In 1981 he was appointed to the post of chairman of the center of the Itinerant Supreme Administrative Court in Gdansk, and a year later became the Gdansk deputy voivoda. Citizen Balcer has for many years been an active member of the Association of Polish Lawyers, in which he held the post of member of the Central Board for two terms. He was Sejm deputy of the eighth term of office, where he acted in numerous committees, including being deputy chairman of the Legislative Committee for Constitutional Responsibility, and also member of the Internal Affairs Committee and of the administration of justice.

Citizen Jacek Fisiak is 52 years old. He is an ordinary professor of humanities, and rector of the Adam Mickiewicz University in Poznan. Professor Fisiak defended his PHD disertation in 1962, when he was 26 years old. Two years later he became assistant professor, and at the age of 34 he became extraordinary professor. He has been ordinary professor since 1977. He was tutor and aide for several professors and assistant professors at home and abroad. Prof Jacek Fisiak is a member of numerous domestic and international scientific associations, including the presidency of the European Linguist Association, and the International Association of Professors of the English Language. He has been co-editing many language periodicals and is chief editor of three such papers. During 1976-88, he was a member of the Central Qualification Commission for Scientific Affairs at the Council of Ministers. Since 1981 he has been chairing the Neophilogical Committee of the Polish Academy of Sciences. In 1984 he was awarded an honoris causa doctorate at one of the Finnish universities. Citizen Jacek Fisiak is a member of the PZPR.

Citizen Zbigniew Grabowski was born in 1930. He is an ordinary professor of technical sciences, and rector of Warsaw Technical University, where he has been teaching and researching since 1953. As a student he began his professional career in the construction industry. Later, after his return to college, he headed the technical department and was the technical director of Warsaw Technical University. Since 1980 he has been the organizer and director of the Roads and Bridges Institute of the Civil Engineering Department, and the head of the Geotechnology of Subterranean Exploration Institute. Professor Grabowski is an author of many scientific works and publications, which have been used in various areas of the national economy. He is a member of the Committee for Science and Technological Progress of the Council of Ministers, and a member of the Ministry of National Education Council. He is a member of many scientific councils: He chairs two of them. He collaborates with many institutions and scientific organizations and associations. He is a recognized authority in the scientific milieu. His ability to create teams preparing new technological solutions and their practical applications in the economy has been highly lauded. Citizen Zbigniew Grabowski is a member of the PZPR Warsaw Committee Executive. He is also a member of the Consultative Council attached to the chairman of the Council of State.

Citizen Dominik Jastrzebski is 46 years old. He holds an MA degree in forestry, and is a graduate of the postgraduate Foreign Trade College. For 2 years he has been director general of the Paged Wood and Paper Products organization. During his studies at the Main School of Agriculture, Citizen Jastrzebski was active in the Polish Student Association and the Rural Youth Union. After being employed for 1 year in forestry management, he was then employed by the then Ministry of Forestry and Timber Industry. In 1976 he was made deputy director of Paged. In 1977-83 he worked in London as a chief director of this Polish timber products company. Economic results and export achievements of Paged, which he has managed since 1986, were the grounds for his being granted an exceptional evaluation in a recent CADRE REVIEW. He is a member of the PZPR.

Citizen Marcin Nurowski is 54 years old. He graduated from two faculties at Warsaw University; history and law. At present he holds the post of deputy mayor of the capital city of Warsaw. Citizen Nurowski began work, after his studies, in the Central Committee of the Democratic Party. Next, since 1965, he was deputy director at the small-scale Production Committee Department, and since 1977 the main expert at the then Ministry of Home Trade and Services. At the same time he conducted work on preparation of legal foundations for the operation of trades, private commerce, and small-scale production. Since 1977, citizen Nurowski held leading posts in the Central Committee of the Democratic Party, including the central cadre of the SD training center. In 1981 he became deputy director of the department, and next, undersecretary of state at the ministry of trade and services, where he was employed until last year.

Citizen Izabela Planeta Malecka is an extraordinary professor of medical sciences, and holds the post of deputy director of pedriatitcs in the Polish Mother Center in Lodz. Professor Planet Malecka, after completing studies at the medical academy in Lodz, began professional work there. Next, she worked for 2 years in the Lodz Bieganski Hospital.

Since 1960, she has been working for the Military Medical Academy, where she organized and directs the Clinic for Children's Diseases. She is the author of many scientific works and publications in the sphere of pediatrics. She belongs to the Pediatric Society and other scientific societies. Professor Planeta Malecka has, for 20 years, been the co-organizer of a unique form of care for children with protracted illnesses. She is a member of the Executive Committee and the PRON National Council, deputy-chairman of the PRON Health Commission, and also an activist of many years' standing and currently, deputy chairman of the Lodz section of the League of Polish Women. Citizen Izabella Planeta Malecka is a nonparty member.

Citizen Mieczyslaw Wilczek was born in 1932. After graduating from Slask Technical University in Gliwice, he acquired the title of master of chemical engineering. He is also a graduate of the Law Department of Warsaw University. After his studies, he took up scientific research work at Slask Technical University. Between 197...[pauses] 1957 and 1953 [as heard] he worked in industry, including being director of the Viola Cosmetics factory, deputy director of the Warsaw Aroma Synthetic Aromatics Factory, the Pollena Association of the Household Chemical Industry, and also director of the Central Research and Development Center of the Joinery Industry. Hampered by the then contemporary management regime, he decided to change to an independent way of meeting his technological and organizational aspirations. Mieczyslaw Wilczek is the creator or cocreator of 20 Polish and foreign patents in the chemical and fodder industry. They have all been put into production. Currently, citizen Wilczek is a co-owner of the Lavin enterprise, with the participation of foreign capital. I don't need to add that he declared his immediate withdrawal from direct economic activity when he accepted his candidacy to the esteemed chamber. As an entrepreneur, Mieczyslaw Wilczek always conducted active social work in Stanislawow parish in Siedlce Voivodship, this being the headquarters of the Lavin enterprise. His economic activity in the crafts industry has met with high appraisal from public and state officials. He is a member of the Socioeconomic Council attached to the Sejm, and also deputy chairman of the Society for Supporting Economic Initiatives. He is a member of the PZPR.

Citizen Andrzej Wroblewski is 38 years old. He graduated from the Main School of Planning and Statistics in Warsaw. He has been holding the post of undersecretary of state in the Ministry of Industry. After completing his studies, he worked for 2 years in the Stomil rubber

industry enterprise. Later, from 1974, he worked for the Ministry of Finance. In 1980 he was transferred to the then Trade and Finance Department of the PZPR Central Committee. He worked in the Secretariat of the Commission for Economic Reform. Since 1981 he has been an advisor to the government plenipotentiary for economic reform. From the beginning, he has taken part in forming systemic solutions for reform, and in promoting their implementation into economic practice. He is an author of many articles on the economy, as well as on the financial system of enterprises and the tax system. Since 1985, he has been the director of planning methods and regulating systems team in the Planning Commission attached to the Council of Ministers. He held his present post in the Industry Ministry from November last year. Citizen Wroblewski is a member of the PZPR.

I ask the esteemed SEJM to accept these proposals. [applause]

Miodowicz Address

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[Address by deputy Alfred Miodowicz at the Sejm meeting—live]

[Text] Citizen speaker, esteemed deputies. On my way across the chamber to the platform I heard someone ask: Why has he started to speak so often? Indeed, perhaps I shouldn't really be speaking today, were it not for the fact that the trade unions, too, are putting their hopes in the new government, that is not the trade unionists' subjective hopes, but the hopes of the working people.

Like all those present here I listened with attention to Premier Rakowski's expose. I perceive in it the beginnings of a new philosophy of exercising executive power. There is hope that the previously constrained energy of Poles may find itself an outlet which would serve the whole society. The trade unions have been calling for that all along. Of course, I am not going to give the citizen premier assurances that he will find our support in every situation. Things cannot be so. By their very nature trade unions cannot be progovernment. Obviously, I am thinking of genuine trade unions, such as authentically represent the working people. But such unions should not be antigovernment by definition. Unfortunately, in the recent past, which we would like to forget as quickly as possible, we did give such an impression.

The point is that the trade union movement's attitude to the executive authorities can only be the result of the effects of governing, the effects which affect the ordinary people. The new government is not promising wonders, but is not threatening more lean years, after which it is not known what will happen. We see a forecast of an economic program, a forecast to break out from stagnation and marking time. Finally, the need of sacrifices for the reform is not being mentioned. The proposed restructuring of the economy is to ensure an improvement in the standard of living, and is not to be implemented solely at its expense. Thus, nobody who thinks logically will refuse to work if he can see some sense in it, and some benefit for himself. Empty slogans and appeals, or substitute actions will not be needed. Efficient organization and an efficient system of governing the country will take their place.

Let us stop threatening each other with the prospect of unemployment, for unemployment within employment is the worst of situations. Perhaps we will at last put into motion the ailing services, and will get rid of this very unemployment within employment. Our aim is the good of our homeland and the people who live in it. There can be no rich country and poor citizens. The people have to live better. This can only create a climate of support for government programs. Administrative curbing of pay increases regardless of productivity, helped by more and more new taxes provokes social conflicts because the best people become the losers. In order to come out onto a straight path, those whose work produces the most social benefit should become richer, and the weakest—but not the lazy—should be protected. However, one cannot aim for the lowest common denominator, otherwise there will never by any progress or a real fight against waste, or even an attempt to economize.

The plagues which pester our lives are shoddy workmanship and lack of care; they arise from the fact tht those who are efficient are not rewarded. The former philosophy of savings on paper leads nowhere and undermines the credibility of reforms. After today's speech, and earlier talks by Premier Rakowski with trade unionists, we are pleased with the prompt formation of a cabinet with composition which may give hopes for effective and consistent activity. This results from the fact that the feeding of the nation, housing construction, and the halting of the degradation of the natural environment have been considered by the government to be the most urgent problems.

The trade unions, together with the fraternal Union of Farmers, and farming circles and organizations consider these issues to be the most important. They were not born in the heads of bureaucrats, they are simply most important for each citizen. Socialism without distortions—this, in our conviction, is a system which places human issues at the center of attention. On the other hand, they are the essence of the resolutions of the first congress of the reborn Polish trade unions. What we have in mind are reconstruction of dignity and humanization of work; creation of conditions for a good start for young people; ensuring development for the Polish families; and dignified retirement for labor veterans. Our young people are irritated: They have no chance to become independent quickly; there is a shortage of apartments; they are depressed by the prospect of repaying our debts for many years. At the same time, the natural energy of young people does not find an outlet in sensible and well-organized work. It is work—above all,

work—that should be able to ensure that the young people can achieve their goals. That is why it is difficult to be surprised that the young people are a numerically significant group among the strikers. Others, on the other hand, are exchanging their graduation diplomas for passports. This must not be, this must be changed.

May it please the House. We do not expect an economic miracle; all we want is for Poles in their own Poland to find conditions for productive work, for good money, to be able to use their skills and qualifications, conditions to make good, to develop, and to live without an inferiority complex vis-a-vis other European nations.

Today, the point is to satisfy the basic needs. The agitation and manipulation of statistics will give nothing. We told the previous government: Society expects real and concrete successes. In reply we heard reports on actions that were undertaken: They did not coincide with what an average Pole felt. We warn the present government against any official optimism, against tricks of accounting which would make reality seem more beautiful. Listing achievements on paper does indeed improve the moods of their authors, but it considerably decreases their credibility. When a conflict occurs, thoughtless rescue decisions are made. Who do they rescue, and at whose cost? We had an example of this recently, when despite the optimistic accounting, the shelves in the shops became empty. Intervention purchasing was carried out. It is worth the Supreme Control Chamber examination of the causes, ways, and results of the decision to spend several hundred million dollars during such a difficult payments situation in Poland, instead of earmarking this money for support, for instance, of agriculture.

Esteemed deputies, better the worst truth than the best lie. It is necessary to truthfully present to the public the state of the economy. I understand that this has been done to some extent by publishing this report, this protocol which was mentioned by the comrade premier [RZECZPOSPOLITA article on the economy]. It is important for society, but even more important for the authorities because the extrication from the current state will depend not just on the government program, whatever its name may be—it is now called the integration program—but on society's full support for it.

The solid evaluation of the state of the economy will show what we can afford and what we cannot. One should ask oneself a dramatic question: Can we afford to lower the standard of living further for those employed in the socialized economy sector? It is necessary to reverse this thinking. Perhaps we will not be able to afford new office blocks and factories, but we must be able to afford new apartments, producing food, and protecting public health. This requires decisive changes in the economy. It is necessary to stop saying what sacrifices we will have to bear for the reform, and say instead what the reform will give to the citizens, as this, after all, is its final goal.

Trade unionists expect Premier Rakowski's government to unblock all public reserves. These reserves are restricted by red tape, by planning, taxation, and administration regulations. The liquidation of these unnecessary bonds will considerably strengthen the public common sense of every firm and of every workforce. Internal conflicts within enterprises will then be the problems of the workforces alone. At present there are always clashes between some part of the community and the authorities. As far as conflicts are concerned, I would like to declare a need for an amendment to the law on trade unions in its part dealing with strikes. Today, we have to deal with legal and illegal strikes. In circumstances when this law is not observed, all strikes become supposedly legal. [as heard] To a great degree it transpires from an overly complicated, lengthy procedure for the start of a legal, collective dispute. Hence the team of union deputies proposes an initiative concerning simplification and reduction of the procedure by way of introducing appropriate amendments to the law.

Citizen deputies, we realize that it will not be possible to resolve Poland's problems unless social policy is corrected. In particular, an urgent solution is demanded by issues connected with the operation of the health service, and with teachers. We also know that many social issues demand a more modern approach. However, we warn against promotion of the thesis about a super-welfare role of our state. This is a false assumption. If some solutions should be changed, then it should be done by way of negotiations, and not by making surprise, sudden decisions, because in social matters there are no reserves. They should not be sought in this way.

Citizen premier, cooperation between the government and trade unions must be based on the principles of partnership. I hope the new government will cut itself off from the bad practice of blurring responsibility, and futile disputes about insignificant matters. New social agreement could well serve the solution of Polish issues. However, in order to conclude the agreement, regulations and proposals made by the congress of the Polish reborn trade unions should be reexamined. I consider it necessary to do this even before our third OPZZ assembly, which will be held by the end of November this year in the city of Lodz.

We realize that we will not be able to avoid disputes, or even conflicts; this is natural. However, the point is, the solution of these conflicts moved Poland forward.

Thank you very much. [applause]

Porebski Speech

LD1310214788 Warsaw Domestic Service in Polish 1440 GMT 13 Oct 88

[Address by deputy Tadeusz Porebski at the Sejm session—live]

[Text] Citizen speaker, may it please the House. I heard the address by Comrade Mieczyslaw Rakowski, chairman of the Council of Ministers, with attention. To be

precise, I familiarized myself with its content several days before today's sitting, otherwise it would not have been possible to comment suitably on the theses contained in his address. I am convinced that this address has been heard, or will be heard with great interest by many citizens of our country. Not only because the moment of creation of a new government is always accompanied by greater attention from the public, but primarily because answers to a number of questions are universally expected: How do they propose to work at a time of accumulated difficulties? How do they propose to solve many of the urgent economic and social problems?

It is possible to try finding an answer to the question: In which areas has our society got the greatest expectations? It is with a high probability of not being far wrong—it is sufficient to listen carefully to the numerous public discussions. I think that our society is expecting first that supplies to the market in both foodstuffs and manufactured goods improve perceptibly. Secondly, that the level of inflation fall significantly. Third, that we will be able to live under conditions of an improving state of public discipline and order, with bureaucratic nonsense and straitjackets being removed from our life at the same time. Fourth, that the program of housing construction will be implemented more effectively. This, I think, is a minimum program of expectations.

The first three matters do not, in my opinion, require a comment. As for the fourth matter, the housing issue, we are aware that there can be no miracles in the final 2 years of this 5-year period. The point is, that at least the housing construction plans should be fulfilled without all these great tensions which are occuring at present with all their negative effects.

When it comes to the future, particularly the next 5-year period, we will expect the new government to thoroughly investigate whether material premises will be created in order to accelerate the pace of housing construction. We expect an answer to the question about the extent of this acceleration, and whether housing cooperatives will be able to inform their members and candidate members of the realistic possibilities for them to obtain apartments, for what price, on what conditions, and in what period of time. When assessing housing needs we base the assessment to a large extent on estimates. Perhaps it is possible to estimate the needs more precisely.

In this way the priorities were presented by Comrade General Wojciech Jaruzelski in his speech at the previous Sejm sitting. I quote: We expect that the new government will introduce significant changes in the economic policy; we expect that in the strategic solutions such priorities whose main aim is an improvement of living and working conditions will be forced through, for today the most urgent matters are, above all, the preferential treatment of food economy and the housing problem. End of quote. Comrade Mieczyslaw Rakowski, the prime miniter, spoke about all these issues. They found their place among the cited priorities of these immediate strategies. He put forward neither time limits nor the scale of their solution in the forthcoming period. We understand him well. The time will come for this, after an exact but, we wager, speedy examination of the state of affairs and our capabilities.

Undoubtedly, we will find specification of the pace for reaching successive goals in the plan for the consolidation of the economy, in the drafts for the national socioeconomic plan for 1989-90, and in assumptions to the next 5-year plan. The presented vision of the government's work and its program suits the PZPR Deputies' Club. We will actively support the government in its striving for the implementation of this program.

May it please the House. During today's discussion, it was imposible not to refer to several other problems, including those which were the subject of discussion at the meeting of the Extraordinary Sejm Commision for Economic Reform. I was given the opportunity to listen carefully to its deliberations. The fundamental issue was the shape and model of our econmic reform. It was commented upon variously, particularly after the recent prices and incomes operation. About one thing, however, there can be absolutely no doubt. Changes, the search for more effective solutions—in a word, reforms—for every state and society if it wants to go forward and to keep up with trends of civilizational development, are imperative. Experience teaches, however, that every concept, after a certain time, exhausts its expansiveness and requires successive evolutionary or revolutionary changes.

There is, however, no doubt that we have decided appropriately to enter onto the path of reform. There is no way of overlooking the accusations which are being made in relation to the form of implementation of the reforms. It is said that it is not favorable to a growth in production, including that which is allocated for the market; it is not conducive to scientific and technological progress; it is still not capable of avoiding an unjustified increase in prices or an increase in wages unjustified by an increase in production. There are such questions. There is no way it can be stated today which side is right, but it must incline one to request the government to carefully look at all the main mechanisms in the reform in order to correct that which needs to be corrected. Those are, I believe, urgent tasks.

The reform needs allies. There are many of them, but there is not yet a sufficient number. Where are they to be found? Above all among workers, and engineering and technological personnel, in their self-management bodies and organizations, those on whose shoulders the practical implementation of the reform rests. How can one get through to workers with the reform ideology? I am convinced that if we are not going to talk about its

concrete aims—what, when, and in what manner, with their help, it will be solved, including the numerous daily problems of working people—we don't have any greater chances to gain new allies.

We must also urgently find an answer to the question: Why don't the engineering and technological personnel fully utilize their chances to act in the reform? At least that's what they themselves claim. It cannot be a result of their conservatism because, after all, that social group was never, nor is now, conservative. There must be other reasons for it. What? A reply needs to be found to this question.

The implementation of the economic reform requires social acceptance, particularly in those segments of it which are connected with temporary sacrifices.

Comrade Premier Mieczyslaw Rakowski pointed this out when speaking about the need to make the public aware of the consequences of the introduction of some of the reform assumptions. He presented the problems in the form of what, frankly, were dramatic questions. We believe that it is also possible to introduce those necessary and unpopular undertakings envisaged by the reform if their objectives are honestly specified, if they are simultaneously accompanied by actions bringing perceptible relief to people, and if we are able to convince the public of the need for such actions. How it is to be done is an entirely separate and probably not an easy matter.

In our view, cooperation between the Sejm and the government requires deeper thought. I think that so far it has not been working too badly, although we frequently had complaints about delays in conveying bills and materials, and about their imperfect formulation. No one doubts that the Sejm has a constitutional right, and at the same time a duty to influence decisively the policies pursued in our state. It does not have to identify with the government in every respect, but it certainly must identify with what is decided together. To that extent, I believe, and the parliamentary PZPR believes, we have the duty to support the government everywhere, including at deputies' meetings. This, however, cannot mean weakening by even the least amount the Sejm's control function.

In what fields could cooperation be made closer and more harmonious? I shall list some of them. The work of the government will require especially strong support when it is choosing certain priorities. We have never succeeded in this practice. Generally speaking, we always gave in to the temptation of solving everything at once. It often resulted in the fact that in the public perception we were not solving anything, or little. When formulating tasks for the government, we should at the same time obtain an answer, an honest answer, to the question of whether the government holds in its hands a sufficient number of instruments to make the fulfillment of the tasks possible. If this is not the case, and if this is within our capabilities, we should create such possibilities for action quickly.

Finally, more attention, according to the parliamentary PZPR, should be paid to whether plans for many undertakings are closely related to material and implementation capabilities, for we cannot afford the luxury of promises which later, in practice, are implemented partially, or halfway. Almost all socioeconomic plans in the history of our country—in postwar history—have been an example of this. One always wanted to solve more through them than it was possible in real life. Perhaps there would be nothing terribly wrong in this if it did not create social frustration and undermine the trust in authorities.

Esteemed chamber. An animated discussion on the model of our socialist state is taking place. On some issues a unified view will be reached very quickly. Other issues will require more time and deep analyses. I want to mention here an opinion which I think is worth attention and discussion. I quote: The key issue in constructing a new model of the socialist state is the creation of systemic and political conditions favorable to solving contradictions and conflicts in a constructive way.

The occurence of conflicts in socioeconomic systems is contemporarily treated, both in theory and in practice, as unavoidable, as an objective phenomenon, which is the result of the divergence of individual and group interests, aspirations, and goals of people working within them, as a natural feature of these systems, one of their characteristics, not necessarily destructive in nature. On the contrary, in modern concepts of government and management conflicts are regarded as a significant element of development and progress, since the possibility of their productive materialization in the (?course of the) cooperative, political, socioeconomic game, is assumed.

Not referring to the heart of the matter, it may be stated that we have entered onto that road which was spoken about here. This is testified to by the institution of the roundtable, the concept of this method of coming to agreement over prices and incomes policy through the competent body which is being created.

An important role in work over the future model of the state will undoubtedly be played by a coalition of the PZPR, the United Peasant Party, and the Democratic Party. Its operation can be described in various ways, but one cannot but note the significant progress here. Joint meetings of leading bodies of the party and the allied parties, similarly to the already institutional meetings and discussions of heads of these organizations, are, after all, not spectacular gestures, but activities in aid of the joint policy arrangement.

Comrade Jaruzelski recently said: Every thought and every initiative is valuable if it flows from patriotic concern. Let us be rid of pettiness. It is not important who is right. What is important is whose right will help to solve this or some other problem.

The PZPR will closely adhere to this thought at every level of debate and cooperation. In this context I would like to devote a few sentences to relations between the PZPR, other parties, and the government. I can only speak on behalf of our party Central Committee, which at its seventh session of this term of office devoted a considerable amount of attention to this matter. We are not giving up our influence on the socioeconomic policy of the government and the evaluation of its potential effects on society. The rest is an open matter, a matter for debate and for proper modelling [wlasciwe modelowanie]. As we know, work is in progress on searching for the best and correct solutions.

May it please the House. In conclusion I wish to express the view of the parliamentary PZPR on the proposed composition of the new government. We support the proposals, and wish that the premier and his future companions are able to cope with the difficult duties which they are taking over. [applause]

Roundup of 1st Day's Proceedings

LD1410025588 Warsaw PAP in English
2341 GMT 13 Oct 88

[Text] Warsaw, Oct. 13—A two-day session of the Sejm (parliament), devoted to the creation of a new govenment, began here today. The chember listened to Premier Mieczyslaw F. Rakowski's expose.

On Thursday evening the Sejm committees opined the candidates proposed by the new premier. The Sejm will decide on the cabinet composition on Friday.

The Sejm session was opened by Parliament Speaker Roman Malinowski. Present was also Wojciech Jaruzelski and members of the Council of State.

The premier's expose on the proposed composition of his cabinet and the government's programme is the only point on the agenda of the two-day parliamentary session.

Today's debate was opened by representatives of the PUWP, UPP (United Peasant Party) and DP (Democratic Party) floor groups.

Deputy Tadeusz Porebski said that the presented government programme satisfied the PUWP floor group. "We will actively support the government in its striving towards the realization of this programme," he said.

Referring to several matters the speaker said that the reform needed allies. "They must be sought primarily among workers and the engineering and technical cadres, their self-managements and organizations, that is, among those on whose shoulders rests the practical realization of the reform. How are we to reach the workers with the ideology of the reform," asked the speaker. Porebski expressed the conviction that this would be achieved by speaking about the concrete goals of the reform, about what will be realized when and to what degree.

As far as politics and public life are concerned, Deputy Porebski quoted the opinion that the key problem in the forming of a new model of a socialist state is the creation of systemic-political conditions favouring the constructive solving of inconsistencies and conflicts. "It may be said that we have embarked on this road. This is evidenced by the institution of the round-table," Porebski said.

"Poland must be a law-abiding and democratic state and thanks to this it has a chance of becoming a modern country. The government's intentions—formulated in the premier's expose—seem to favour such a concept of the development of our Polish home in which everybody can become a factual host," said Deputy Bogdan Krolewski.

He added that the priorities formulated clearly in the expose merited particular esteem. "They are dictated by concern for the welfare of every Polish family. It is demanded of farmers that they feed the nation. And justly so—since this is their duty. However, it is frequently forgotten that agriculture must continually receive more in order to work effectively whereas the need of the restructurization of industry in favour of agriculture and the food economy, stressed so strongly by the joint PUWP and UPP plenum, still remains in the planning stage," Krolewski said.

"This is why the UPP deputies greeted the premier's statement that the development of agriculture and the food industry would be the most important strategic goal of the new government with great satisfaction," added the speaker.

Krolewski went on to say that the UPP was ready to bear the effects of consistent actions but that this must mean hard economic principles for everybody, not only for the farmers. He also said that the proposed programme of the government's activities was realistic and that the proposed compostion should ensure its realization.

Deputy Jerzy Gruchwalski, speaking for the DP floor group, said that heroism was not expected of the government but that the time has come to contradict more than one slogan and fiction circulating some time ago. He added that the government's most important task would be the reinstatment of normality to public and economic life, that is functioning based on common sense and economic laws.

Gruchwalski expressed the conviction that the restructurization of the foreign debt was necessary, especialy the lowering of the interst rate.

Deputy Alfred Miodowicz (PUWP) said that in Rakowski's expose visible were the beginnings of a new philosphy of wielding executive power. "Hope is arising that the hitherto stifled energy of Poles may find an outlet with profit for the whole of society. The trade unions have always demanded this. Unionists expect the government to unblock all social reserves muzzled by bureaucratic regulations. Social policy must be put into order and issues connected with the functioning of the health service and teachers require particularly expedient solving," Miodowicz observed.

Deputy Bozena Hager-Malecka, speaking about the activeness of Polonian milieux, which are ready to cooperate in the field of environmental protection in Poland, proposed the introduction of solutions which would not tax gifts intended for the development of the ecologic industry in Poland. In connection with the unsatisfactory results of work on a trilateral agreement on cooperation in environmental protection between Poland, Czechoslovakia and the GDR she proposed that this issue be taken up during interparliamentary talks.

Deputy Krystyna Zielinska-Zarzycka said that the expose signalled a will of eliminating the remnants of Stalinism from Polish public life. She said that the elimination of censorship would be the easiest and most correct way of initiating this process.

After the end of today's meeting the Sejm committees continued work on opining on the candidates proposed by the premier.

2d Day of Debate Begins

LD1410102288 Warsaw PAP in English 0846 GMT 14 Oct 88

[Text] Warsaw, Oct. 14—The Sejm, Polish parliament, resumed its debates here today at 9 a.m discussion is continued on the premier's (?expose) delivered at the Sejm yesterday concerning the proposed composition of the Council of Ministers and the time table of the government work.

Present are Wojciech Jaruzelski and Mieczyslaw F. Rakowski.

Approving Vote Reported

LD1410134688 Warsaw Domestic Service in Polish 0800 GMT 14 Oct 88

[Report by unidentified correspondent, including remarks by Sejm Speaker Roman Malinowski on Sejm Session's vote on the new government—live]

[Excerpt] [Passage omitted] [Malinowski] May it please the House! The Council of Elders proposes that the Sejm adopt the following resolution: The PPR Sejm approves the program of government tasks put forward by Chairman of the Council of Minister Mieczyslaw Rakowski. The Sejm expresses the conviction that a consistent and decided policy of continuing far-reaching reforms and socialist renewal, supported by a broad national accord, will win growing social support for the government's actions.

Does any deputy wish to take the floor in connection with the above draft resolution? [Silence] No one has presented himself. We move on to the voting.

Those deputies who favor the adoption of the presented draft resolution will raise their hands. [silence followed by applause] Thank you. Who is against? I see no one. Who has abstained from voting? I see no one.

I state that the Sejm has adopted the resolution.

We now move on to the appointment of the government. I wish to inform the House that the proposals regarding candidates for the posts of ministers have been positively assessed by the proper Sejm Commissions. May I remind you that, in accordance with Articles 31 and 79—paragraph 1 of the regulations—the Sejm appoints the PPR Government with an absolute majority of votes in the presence of at least half of the total number of deputies; and on the basis of Article 29, paragraph 2 of the regulations, the voting takes place jointly [as heard].

I state that the required number of deputies is taking part in the session. We will vote by raising our hands. In connection with the vote on the appointment of the Council of Ministers I call for a vote count; I ask the following to count the votes: Citizen Deputies Bodgan Kotarski, Grazyna Janus, Wieslawa Gusc, Roman Fenczewicz, Danuta Pawlikowska, and Jacek Piechota.

These deputies should take their appointed places in the hall in order to be able to count the votes in the assigned areas. May I ask the citizen deputies to keep their hands raised during the voting long enough to allow the secretaries to count the votes.

We now begin the voting. Those citizen deputies who are for the proposed motion regarding the appointment of the government will be kind enough to raise their hands. [long silence]

[Correspondent] In this instance the voting procedure takes a little longer; the voting is taking place without the use of electronic equipment; the secretaries are counting the votes. I will just reiterate that the so-called absolute number of votes, the absolute majority of votes, means that those in favor must outnumber the total number of dissenting and abstaining votes.

[Malinowski] Who is against? [long silence] Who has abstained? [long silence] Please make the results of the vote known. [long silence]

[Correspondent] Now follows the addition of the reports made by the secretaries. In a moment there will be a report on the number of votes in favor, against, and the abstentions, a report which will be given to the Sejm speaker; he will announce the results. [very long silence]

What we have seen just a moment ago allows us to form a visual impression of an absolute majority of votes in favor but of course the procedure demands complete precision, to the last vote. [long silence]

[Malinowski] I announce the results of the voting: 363 deputies voted for the appointment of the government; 1 deputy voted against; there were no abstentions. [prolonged applause]

I announce the adoption by the Sejm of the following resolution: The Sejm of the PPR, on the basis of Article 37, paragraph 1, of the PPR Constitution and on the motion of the Council of Ministers Chairman, appoints the Council of Ministers with the following composition:

Kazimierz Olesiak—Council of Ministers Deputy Chairman and Minister of Agriculture, Forestry, and Food Economy

Janusz Patorski— [prolonged applause—Malinowski repeats the name] Council of Ministers Deputy Chairman

Ireneusz Sekula— Council of Ministers Deputy Chairman

Lukasz Balcer— Minister of Justice

Bogumil Ferensztajn—Minister of Town and Country Planning and Construction

Jacek Fisiak— [applause—Malinowski repeats the name] Minister of National Education

Zbigniew Grabowski—Minister, head of the Office for the Advancement and Application of Science and Technology

Dominik Jastrzebski—Minister of Foreign Economic Cooperation

Michal Janiszewski—Minister, Head of the Council of Ministers Office

Janusz Kaminski— Minister of Transport, Shipping, and Communications

Czeslaw [break in reception]—Minister of Internal Affairs

Jozef Koziol— Minister of Environmental Protection and Natural Resources

Aleksander Krawczuk—Minister of Culture and Arts

Aleksander Kwasniewski—Minister, Council of Ministers Member

Wladyslaw Loranc— Minister, Head of the Office for Religious Affairs

Marcin Nurowski— Minister of Internal Trade

Tadeusz Olechowski—Minister of Foreign Affairs

Izabela Planeta— Minister of Health and Social Malecka Welfare

Florian Siwicki— Minister of National Defense

Mieczyslaw Wilczek—Minister of Industry

Andrzej Wroblewski—Minister of Finance.

Citizen Deputies! On behalf of the Sejm I wish to thank the members of the outgoing government for the several years long cooperation with the Sejm and its organs; this has been a time which was so difficult for our country. [Applause] At the same time, I pass on best wishes for success in future social and professional work and in personal life.

Allow me, citizen deputies, to congratulate the newly appointed members of the government, led by Premier Mieczyslaw Rakowski. I wish them success in executing the responsible tasks of government members and I express my conviction that the government program, approved by the Sejm, will be consistently implemented by the government for the good of society and the State.

Today's session has covered the agenda.

Rakowski on Opposition, Roundtable, Powers

LD1410160788 Warsaw PAP in English
1541 GMT 14 Oct 88

[Text] Warsaw, Oct. 14—At his today's press conference here, Mieczyslaw F. Rakowski told newsmen that Professor Witold Trzeciakowski, Andrzej Micewski, Jan Auleytner and Aleksander Paszynski, who are linked with the so-called constructive opposition and whom he offered positions in his government, had rejected his proposals.

Mieczyslaw F. Rakowski told a press conference here today that: "Emotions go back to the past in Poland today. The soil for reaching agreement is deeper and more fertile than some years ago."

"Poland is not endangered by unemployment, as there are tens of thousands of vacant workplaces that should be filled. What I have in mind is primarily the service sector," the premier told newsmen.

Prime Minister Rakowski told newsmen that government's approach to the opposition is reasonable and takes into account the changes taking place in Polish society and the entire socialist community, and that it is not a sign of weakness but of a realistic assessment of the situation.

Mieczyslaw F. Rakowski stated that the idea of the round table is not a game on the part of the authorities and does not aim at diverting society's attention from other issues.

"We have joined it (the idea) following a thorough analysis of the situation," the premier told newsmen.

"I am waiting for this response, Mieczyslaw F. Rakowski answered when asked at his news conference today whether he believed that his plans to make a breakthrough in relations with the FRG would evoke a response on the Rhine.

Religion is a lasting phenomenon and the lay state acknowledges this. Our expectations are that the church recognizes socialism as a really existing formation and seeks a place in it, Prime Minister Rajowski told newsmen.

State-church cooperation will be advantageous for the entire nation, stated Rakowski.

The changes which are taking place in the socialist economy do not mean the dismantling of socialism. This is a process of rendering the economic policy real, Mieczyslaw F. Rakowski told newsmen.

Mieczyslaw F. Rakowski said that his government would not ask for a prolongation of special powers.

"My government will act without special powers," he stressed.

Workers Issue Appeal to Roundtable Participants

LD1310224788 Warsaw PAP in English
2218 GMT 13 Oct 88

[Text] Warsaw, Oct. 13—The approaching "round-table" meeting is raising growing interest among Polish society which is manifested by resolutions and appeals which are being directed to the participants of the talks.

A group of activists of worker self-managements from several work establishments and enterprises located in the central district of Wroclaw (southern Poland) issued an appeal which states that participants of the talks shoulder a historic responsibility. The authors of the appeal speak out for, among other things, the creation of systemic mechanisms of solving political conflicts by way of discussion and mediation and not by administrative methods or strike terrorism.

In the conclusion of their appeal the activists of the worker self-managements from Wroclaw said that it was an expression of their great concern for Poland's fate, for the fate of our families. It is also an expression of the weariness with the unending internal conflicts which ruin Poland.

The Presidium of the PRON (Patriotic Movement for National Rebirth) Voivodship Council in Katowice received the PUWP's initiative, supported by the remaining signatories (of the PRON declaration), of the "round-table" talks with great esteem, regarding it as an event of grave importance for Poland's future. The PRON activists from Katowice appealed for the talks to be quick and matter-of-fact and to produce, in effect, a shape of the future structures of authority which would gain the approval of the majority of Poles, proposals on the creation of a government of wide social representation and the outline of a programme of emerging from the crisis which would stand a chance of gaining the support of the whole nation. "We appeal to all the participants of the round-table that they do not waste this great historic chance, that—rejecting private interests, they concentrate on that which binds," the appeal reads.

In an opinion reached jointly with the Worker Council, Trade Union Organization and the Board of the Factory Union of Polish Socialist Youth the PUWP Factory Committee in the "Fosko" enterprise in Skarzysko Kamienna stressed that on the base of one trade union in a work establishment such a formula of the labour movement should be found which would fulfill the aspirations of the working people and would not be a disintegrating and anarchistic factor.

Military Daily Warns Solidarity

AU1210185788 Warsaw ZOLNIERZ WOLNOSCI in Polish
7 Oct 88 p 1

[Waldemar Litwin commentary: "There Will Be No Repeat"]

[Text] The new premier is still trying to organize his government, and we still do not know how far the government's social basis will be expanded, as promised in the Sejm, and how many politicians who do not belong to the present coalition will join the new government. Nor do we know whether new ministers will transform the system of government and accelerate economic reforms. Our main hopes are linked to these issues, and the country sees in them prospects for national accord and a more efficient government.

However it would not be true if we said that everyone wants those issues to succeed in improving Poland's domestic and external situation. There are many facts and deeds that can be seen only as attempts to defeat burgeoning accord and dialogue. The Western radio stations continue to issue a flood of demands formulated by known and unknown Solidarity activists, many of whom regard the registration of Solidarity in its old form of neither a trade union nor a political party as the initial condition for any talks at all. There is more to this than just words. As J. Urban said at his most recent press conference, some plants in our country have begun to create the accomplished facts—to organize Solidarity cells.

All this is taking place in line with the notorious policy of ignoring reality—a policy that uses slogans about accord and compromises as a smokescreen. Will present words and deeds, declared intentions, and practical activities again create insurmountable contradictions and make partners in dialogue lack credibility? In connection with Solidarity's registration we should recall that it also

generated great fears years ago. These fears were "smothered" by the tremors of strikes and by solemn pledges that strikes would cease as soon as the court registration was completed, that double production efforts would be made, and that the powerful and legally sanctioned Solidarity would make our country a second Japan.... Such pledges were made everywhere, but the destructive strikes were continued until shops could sell only vinegar and nothing else and until extraordinary measures were taken.

Could it be that the fact that some former Solidarity leaders want to return to the compromised policy of dictating conditions, of simulating readiness to talk, and of wishing to do what pleases them, without respecting the law, contracted obligations, and their own declarations, shows that they have learned nothing from the recent past? It is difficult to believe that, but probably it is true of those leaders. Although their attitudes are not uniform and although they should not be lumped together under the same denominator, we should clearly state that indulging in strike blackmail and in confrontational policy that creates the accomplished facts and that simulates readiness for talks is no longer possible.

Never before has there been made such an extensive and open political offer to almost all political forces in our country and never before has there been such great government flexibility, such inclination to make compromises, and such opportunities for independent and oppositional forces to share in the management of the country's life. Will these opportunities be destroyed by people who are ruled by boundless ambitions, who stick to the principle of "all or nothing," and who refuse to learn anything from the recent past?

It seems that now there are more opportunities to reach a compromise, but it should be clearly understood that what is at stake is to look for a compromise and not to inaugurate anew the destruction of the state via Solidarity in its previous form. There is no doubt that trade unions will be transformed, will be adapted to the needs of the working people, and will be subjected to most varied formulas of change, because this is what work forces wish and because no one insists that the present situation has been fixed forever. But that is a different cup of tea from wishes to set up a ruthless mechanism for the destruction of the state and the economy, wishes indicated by the ever increasing and ever more belligerent statements made by some former Solidarity activists. But there can be and will be no repeat.

Protests Against Nuclear Plant in Darlowo Noted

AU1310160688 [Editorial Report] Warsaw TRYBUNA LUDU in Polish on 8-9 October on page 3 carries a 600-word report by Jan Urbanowicz entitled "Playing the String of Fear" and describing the fears of the citizens of Darlowo, a fishing port of 15,000 people on the Baltic coast, caused by the construction of a nuclear power station there. Urbanowicz says that the citizens of Darlowo have split themselves into two camps, those in favor of the plant and those against it. He claims that those against it have formed themselves into a "citizens committee," which they have named "vigilance." He provides the following quotation from a petition drafted by this committee and addressed to the government: "We, the citizens of Darlowo, protest the plan to build another nuclear plant on the shores of lake Kopan." Urbanowicz then lists the following demands that this committee has addressed to the national authorities:

"—The withdrawal by the authorities of the plan to build a nuclear power station on lake Kopan and an end to the preparations for construction;

—an end to the development of nuclear energy on Polish soil;

—a relocation of the money saved to the development of alternative sources of energy."

Urbanowicz also quotes from a letter sent by this committee to the Sejm marshal: "the Chernobyl disaster and the poor quality of construction work, a fact that is generally known, are arousing inside us considerable fears for the life and health of the regional population." He claims that 12,000 people have signed various protests. "however," he says, "only one string is being played here, that of fear. In the atmosphere that has been created, not only do rational arguments go unheard, but people are also not allowed to present them. There are cases where psychological pressure has been applied to the citizens of Darlowo to make them sign the petition. It is sad that even teachers are forcing their pupils to sign."

Urbanowicz provides the following conclusion: "It seems that time will dissipate the emotions in Darlowo and the vicinity, time which could be well spent in gaining an objective insight into problems that are not at all easy."

TV Shows Report on New Katyn Monument

LD1410101688 Warsaw PAP in English 2359 GMT 13 Oct 88

[Text] Warsaw, Oct. 13—A popular Polish TV programme on channel 2 "Panorama" today showed fragments of a film report on the recent ceremony of erecting a cross on the graves of Polish officers murdered in Katyn.

The report was shot by the Rev. Waldemar Wojdecki, editor-in-chief of the PRZEGLAD KATOLICKI weekly and member of the delegation sent by Polish Catholic Primate Jozef Glemp to represent the Polish Church at the ceremony.

Commenting on the shown fragments, Father Wojdecki said, among other things: "Katyn—how many tragic and painful thoughts are associated with that place, how many versions. One can go there now and pray."

President Reagan Congratulates Premier Rakowski

LD1410053288 Warsaw PAP in English
2302 GMT 13 Oct 88

[Text] Warsaw, Oct. 13—U.S. President Ronald Reagan has sent a cable to Polish Prime Minister Mieczyslaw F. Rakowski to congratulate him on his being appointed head of the Polish Government.

In the message, the U.S. President and the American nation wished the Polish people and Rakowski's government success in achieving national reconciliation and economic renewal.

More on Visit of State Department's Whitehead

Received by Jaruzelski

LD1310224188 Warsaw PAP in English
2204 GMT 13 Oct 88

[Text] Warsaw, Oct. 13—President of the Polish Council of State Wojciech Jaruzelski received U.S. Deputy Secretary of State John C. Whitehead.

The two statesmen talked about the evaluation of the state of relations between Poland and the United States, as well as of measures aimed at their further improvement. They also reviewed the most important elements in the international situation and voiced satisfaction with the positive trends which had shown up especially in the East-West relations in the recent years.

Wojciech Jaruzelski confirmed the Polish side's willingness to develop good, mutually beneficial relations with the United States and pointed to the significance of basing them on mutual respect and a stable political and economic foundation.

John C. Whitehead informed the president of the Council of State about the U.S. drive to a favourable development of mutual relations. He said that the historical meaning of the processes taking place in Poland is noticed in the United States. The United States will encourage the activities by Polish authorities designed to overcome the existing difficulties.

The conversation was held in the spirit of mutual understanding, in a good, constructive atmosphere.

Holds Talks With Rakowski

LD1310212188 Warsaw PAP in English
2005 GMT 13 Oct 88

[Text] Warsaw, Oct. 13—Premier Mieczyslaw F. Rakowski received U.S. Deputy Secretary of State John C. Whitehead here today. During the meeting the two exchanged views on the present state of bilateral relations and their prospects.

Rakowski said, among other things, that the base of constructive and friendly cooperation should be a realistic and matter-of-fact approach by the United States. As particularly necessary the prime minister deemed the creation by the United States of a favourable climate which would enable the development of Polish-American economic cooperation, support for the normalization of financial credit relations in the forums of international organizations and a move away from export limitations.

Mieczyslaw F. Rakowski informed John C. Whitehead about the procedure of the formation of the new government and about the key socio-economic problems of Poland's development.

John C. Whitehead said that the U.S. is striving towards a development of relations with Poland. He showed interest in the processes taking place in Poland. Whitehead said that the U.S. Administration is aware of the Polish authorities' actions aimed at receiving support from abroad for the economic reforms which are being carried out.

John C. Whitehead also conveyed congratulations and well wishes from President Ronald Reagan in connection with Mieczyslaw F. Rakozski's appointment to the post of the chairman of the Council of Ministers.

Received by Czyrek

LD1310185388 Warsaw PAP in English
1825 GMT 13 Oct 88

[Text] Warsaw, Oct. 13—Chairman of the Sejm Foreign Affairs Committee, PUWP CC Political Bureau member and CC Secretary Jozef Czyrek today met with U.S. Deputy Secretary of State John C. Whitehead, now on a visit to Poland.

The talks concerned selected aspects of Polish-American relations. Czyrek briefed the American guest on the policy of socio-political reforms and the state of dialogue on national agreement. The discussion proceeded in a constructive atmosphere.

Whitehead was also received today by Minister of Foreign Affairs Tadeusz Olechowski. Plenary talks, chaired by Polish Vice Minister of Foreign Affairs Jan Majewski and John C. Whitehead were held at the Ministry of Foreign Affairs.

The talks focused on bilateral relations. The sides positively assessed the progress which has been made in their reconstruction. They agreed that there was a need to accelerate activities aimed at boosting cooperation, especially in the economic-financial sphere. It is of special importance for overall relations based on lasting foundations and equal rights.

Concrete decisions were made with a view to expanding cooperation in the consular, scientific, cultural and information sphere.

A protocol on intentions concerning the implementation of the 1988-American law on trade in its part relating to Poland was also signed.

Ceausescu, Wife Leave for PRC 13 Oct

AU1310194388 Bucharest AGERPRES in English 1922 GMT 13 Oct 88

[Text] Bucharest AGERPRES 13/10/1988—Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, and Mrs Elena Ceausescu left in the evening of 13 October for an official friendly visit to the People's Republic of China at the invitation of Zhao Ziyang, general secretary of the Central Committee of the Chinese Communist Party, and Yang Shangkun, president of the People's Republic of China.

The RCP and Romanian state leader is accompanied on this visit by Ion Dinca, member of the Executive Political Committee of the CC of the RCP, first deputy prime minister; Ioan Totu, alternate member of the Executive Political Committee of the CC of the RCP, foreign affairs minister, by other officials.

Upon departure, at the Otopeni Airport, President Nicolae Ceausescu and Mrs Elena Ceausescu were seen off by full and alternate members of the Executive Political Committee of the CC of the RCP, secretaries of the CC of the RCP, members of the CC of the RCP, of the State Council and of the government, executives of central institutions, of mass and public organizations

Present were the charges d'affaires ad interim of the People's Republic of China—Lang Jiachun—and of the DPR of Korea—Chu Yan-chan—to Bucharest.

Young Pioneers offered bunches of flowers to President Nicolae Ceausescu and Mrs Elena Ceausescu.

At 2000 hrs (local time), the presidential aircraft took off heading for Beijing.

Commission Explores Turkish Economic Cooperation

AU1010194688 Bucharest AGERPRES in English 1841 GMT 10 Oct 88

[Text] Bucharest AGERPRES 10/10/1988—The 14th session of the Joint Governmental Commission of Economic Cooperation between the Socialist Republic of Romania and the Republic of Turkey started in Bucharest on 10 October.

The two delegations, led by Gheorghe Oprea, first deputy prime minister, chairman for Romania of the commission, and Abdullah Tenekeci, minister of state, chairman for Turkey of the commission, survey, in the spirit of the decisions made and understandings covenanted during the Romanian-Turkish summit dialogue, the stage of bilateral economic relations, the possibilities of developing further economic, industrial and technical cooperation between Romania and Turkey in domains of various interests, of broadening and diversifying good exchanges.

Ceausescu Meets Tenekeci

AU1110213088 Bucharest AGERPES in English 1840 GMT 11 Oct 88

[Text] Bucharest, AGERPRES 11/10/1988—On 11 October Romania's President Nicolae Ceausescu received Abdullah Tenekeci, minister of state, co-chairman of the Joint Governmental Commission of Economic Cooperation Between the Socialist Republic of Romania and the Republic of Turkey, the proceedings of which are held in Bucharest. On the occasion, President Nicolae Ceausescu was conveyed a warm salute and the most cordial wishes on behalf of the president of the Republic of Turkey, Kenan Evren.

Thanking, the Romanian head of state conveyed, in his turn, a warm salute and best wishes to Turkey's president.

During the interview, emphasis was placed on the good ties of friendship and collaboration between Romania and Turkey, and the wish was expressed to further develop them in keeping with the understandings covenanted at top level in Bucharest and Ankara. Reference was made to the special role of the joint governmental commission in using to best the possibilities to expand and diversify the economic and technical-scientific cooperation, to increase commercial exchanges in accordance with the growing potential of the two countries' economies. [sentence as received]

During the talk, the many-sided development of the Romanian-Turkish collaboration was assessed as an important contribution to the building of a climate of understanding and broad collaboration in the Balkans, in Europe and the world.

The reception was attended by Gheorghe Oprea, first deputy prime minister, co-chairman of the joint governmental commission.

Ceausescu Attends Bucharest Trade Fair Opening

AU1210095788 Bucharest AGERPRES in English 0919 GMT 12 Oct 88

[Text] Bucharest, AGERPRES, 12/10/1988—The RCP general secretary and president of Romania, Nicolae Ceausescu, and Mrs Elena Ceausescu opened today the 14th Bucharest International Trade Fair—TIB'88. Attending the opening festivity were full and alternate members of the Executive Political Committee of the RCP Central Committee, secretaries of the CC of the RCP, members of the CC of the RCP, of the State Council and the government, executives of central institutions, mass and public organizations.

Heads of diplomatic missions accredited to Bucharest, directors of national pavilions and representatives of foreign exhibitor firms were present.

The opening address was made by Ioan Ungur, Romania's minister of foreign trade and international economic cooperation.

To the applause of the audience, President Nicolae Ceausescu cut the ribbon.

LCY CC Presidium Views Tito, Country's Future

LD1310222988 Belgrade TANJUG Domestic Service in Serbo-Croatian 1013 GMT 13 Oct 88

[Excerpts] Belgrade, 13 Oct (TANJUG)—It is no accident that the growing controversy over and the attacks on the historical role and accomplishments of Josip Broz Tito are moving ahead in parallel with the intensification of the socioeconomic and political crisis. Controversy has continually accompanied our revolution, though it has been particularly aggressive since the death of Tito, Ivica Racan, a member of the LCY Central Committee Presidium, stressed in his introductory report at today's session of the Presidium. Consideration is being given at the session to the ideopolitical essence of the attacks on the accomplishments and personality of Comrade Tito and reactions and activities in connection with them.

Before moving on to the agenda, the Presidium, at the express demand of Bosko Krunik repeated the statutory provision whereby members of the Presidium who have resigned may participate in its work pending approval of their resignation by the LCY Central Committee.

Continuing his report, Racan recalled that the controversy over Tito's personality and accomplishments began first of all in culture, in publishing activity, at various forums and suchlike and finally took on the dimensions of a public political negation and attack. This was expressed in the form of numerous questions and the replies to them which were more or less fixed in advance. Racan illustrated this assessment with several such questions and answers, like the ones about the pluralism of the bourgeois political parties being abolished by force or by deceit and about the national liberation struggle being above all a civil war and the struggle of the Communist Party of Yugoslavia for power, in which it succeeded in winning thanks to its own "Machiavellism" and "Bolshevization."

Included among them, Racan said, are assessments that the ideals of the revolution have been betrayed and as a result of this requests made to establish that the leadership led by Tito is responsible for the fact that the Communist Party of Yugoslavia, in other words the LCY, was and has remained dogmatic and pro-Comintern (Stalinist), and that many of the mistakes in the postwar development of Yugoslavia, starting with the extinguishing of human freedoms and creativity, the unresolved national question (Serbian) and the "dreaming up" of new nations (for example the Macedonian, Montenegrin, and Muslim nations), and including the incapability of such an LCY offering a way out of the present socioeconomic crisis, stem from this.

Also nurtured by the growth of nationalism is the process of haggling over the contribution of individual nations to the national liberation struggle and over who "gained" and who "lost out" in it and by it. Many events like the Brioni plenum, in other words the factual basis of the criticism and replacement of Rankovic [Serbian nationalist leader replaced by Tito in 1966] and suchlike, Racan stressed, are being questioned. In line with this controversy over Tito, he added, is also the displaying of Tito's picture, behind which are concealed demands which are in essence anti-Titoist. The spontaneous or organized "production" of "new" or "second" Titos also serves this.

For all the current forms of negative attitudes toward Tito, the common starting point is that the situation in society and the LCY is "ripe" for the introduction of "the natural process of de-Titoization" and that therefore support should be given to everything which furthers the abolition of the "burden of the inherited past," and "historical truths" about the role and accomplishments of Tito should be expressed, Racan believes. It is also characteristic that such views of Tito's accomplishments and character have been defined in relatively the same mould and based on an ideology ensuing from this. The latest example is "the proposal for a free and critical reexamination of the role of Josip Broz Tito" by the so-called Committee for the Defense of Freedom of Thought and Expression.

This committee, Racan observed, is only formally proposing a free, comprehensive, and objective scientific and critical reexamination of the role and accomplishment of Josip Broz Tito. But in reality it is formulating an accusation against Tito that he is responsible for impeding the general progressive development of society, for political repression, and for the suspicion, according to its own allegation, vis a vis the unequal position of the SR of Serbia. Here too are accusations about the distancing of the country from Europe because of an erroneous foreign policy, "the cost of his governmental administration," and such things. These theses are, Racan recalled, a particular kind of extension and concretization of the so-called ("non-existent") memorandum of the Serbian Academy of Sciences and Arts. This "proposal" is recognizable and has the prose of a pamphlet, but its theses are a factual part of our political life. [passage omitted]

Tito's name and achievement is most frequently connected with the two most important characteristics of our century—socialist self-management and nonalignment. In this alone Tito falls, even by the strictest judgement of history, into the category of the most prominent people of our country and of mankind. However, Vidoje Zarkovic stressed, he did much more than this. I am convinced that his achievement will stand up to the strictest (?criticism) [words indistinct], because (?they) have been confirmed by real life and the consciousness of the working class and the peoples of Yugoslavia.

Today, in the conditions of crisis, it is not Tito and his achievements which need to be examined but the LCY as the body continuing his work. It is no surprise that at the

moment those who are using these difficulties to compromise the revolution and its achievements as much as possible are becoming louder and louder. What is surprising is the insufficient determination of communists and other progressive forces.

One of the most dishonorable deceits and lies which is being woven regarding Tito's name and achievement, in other words regarding our revolution, is the ever more explicit claim by individuals that the Yugoslav communist movement and Tito harbored suspicion toward the Serbian people. It is strange and regrettable, Zarkovic said, that such nationalistic and anticommunist theses are today obtaining the right of citizenship in socialist Yugoslavia and that even individual members of the LC are becoming their exponents and propagators. In this process the visible errors and bad solutions in the constitutional makeup of the SR of Serbia are being used consciously or out of a misconception as the crowning reason for such counterrevolutionary theses; we are now correcting [these errors] which came about for quite different reasons and we discussed this at the last session of the Presidium. [passage omitted]

Attacks on Tito are a nationalist disputation of the policy of national equality, without which there is no socialism, nor any kind of Yugoslavia, Stanislav Stojanovic said. This was expressed in the most drastic way in what Albanian nationalist separatism and the counterrevolution in Kosovo did and is doing, and it is no accident that this began with pictures of Tito being smashed rather than carried and with Yugoslav flags being thrown away. [passage omitted]

Speaking about mass political meetings in Yugoslavia over the last few months, Stojanovic expressed surprise that none of the previous speakers mentioned that the participation of the people and the working class in political protests was Tito's basic demand. Tito said that without reliance on the workers and the people there is no real LC policy. He said that the leaders must go out among the people. Instead of this, Stojanovic said, several comrades have today drawn attention to the dilemmas, which are otherwise present in the LCY leadership, as to whether these are democratic or undemocratic forms, and they have drawn attention to some presumed goals, which, according to them, are contrary to Tito's accomplishments. [passage omitted]

Vukasin Loncar agreed with the introductory report and in particular stressed the importance of the education of the young generation whom we ought, in a creative way, to draw closer to Tito much more than we are doing.

After a winding-up speech by Stipe Suvar, Slobodan Milosevic recalled that the Serbian LC Central Committee Presidium was the first to react, of all the LC organs in Yugoslavia, to attacks on Comrade Tito. This was also the basis of the serious differentiation in the Serbian LC. I believe, Milosevic said, that it is quite inappropriate that Comrade Suvar, in his winding-up speech, raised the objection that the Serbian LC Central Committee did not react to these attacks the day before yesterday. This all the more so because the activities of the organs and organizations of the Serbian LC in connection with the attacks on Tito and his accomplishments are well-known to the broadest public. This makes it all the more inappropriate, Slobodan Milosevic said.

Stipe Suvar said that he was referring to the activities of the Serbian LC in connection with the front page of STUDENT and some others, but that, as far as he knows, neither the Presidium nor the Serbian LC had discussions after the publication of the pamphlet of the Committee for the Critical Reexamination of the Reputation and Accomplishments of Comrade Tito. If someone proves this to me with the facts, I will apologize, Suvar said.

As a member of the LCY Central Committee Presidium I cannot accept a whole series of claims in Stipe Suvar's closing speech, because they appear to be a serious accusation against the Serbian LC Central Committee and its Presidium, said Dusan Ckrebic. It is as though it is on the agenda of the Serbian LC and its Central Committee rather than being the demand of a committee, about which we have already said all there is to be siad.

I was not under the impression, responded Suvar, that the meaning of the whole of my closing speech was an accusation against the Serbian LC Central Committee. I will answer for what I said, depending on whether it corresponds to the facts or not. [passage omitted]

The LCY Central Committee Presidium went on to consider the final preparations for the forthcoming 17th LCY Central Committee session. In this connection, a discussion was held on the information of the working group of the LCY Central Committee Presidium on the activities of the Presidium, the commissions and Central Committee members in the realization of the conclusions of the Ninth LCY Central Committee Session on Kosovo, and on cadre changes in the LCY Central Committee and its Presidium.

The session also adopted a draft decision on the formation and composition of an LCY Central Committee commission for the transformation of the LCY which is to be adopted by the LCY Central Committee. The task of this commission is to analyze fundamentally and to consider the current method of realizing the role of the LCY and to propose bases for the transformation of the LCY.

On the basis of the LCY Program and Statute, the decisions of the 13th congress and the stances of the LCY conference, the commission should critically analyze existing practice in the LCY and on this basis propose to the LCY Central Committee corresponding changes in

the realization of the role of the LC in contemporary conditions. It is envisaged that the commission will, by the end of January next year, prepare the corresponding proposals.

In explaining this draft decision it is stated that the LCY conference stressed, as a vital precondition for solving accmumulated social contradictions, problems, and difficulties, the essential need for radical changes in the method of realizing the leading ideopolitical role of the LCY and its bolder ideopolitical, organizatiional, and cadre transformation.

This LCY Central Committee commission in particular should shed light on the causes which lead to program and statutory decisions, as well as congress and other decisions, not being implemented. It should also consider the realization of responsibility in the LCY, the development of democratic relations and the realization of the principle of democratic centralism in the LCY, the activitiy of the LCY in the system and its radical deetatization. The task of the commission is to consider the problems of the ideological motivation of communists, the working class, and working people for specific activity in the development of socialist self-management, the needs and possibilities for the class and social foundation-building and strengthening of the LCY, the democratization of cadre policy and elections in the LCY, including the composition, number, and method of elections of members of organs of the LCY.

All this should lead to a synthesis of a fundamental theoretical idea which, formed as programed orientations, will give shape to the prospects for the further progressive development of socialism on the bases of self-management and socialist democracy.

Suvar Discusses Tito Legacy

LD1410055688 Belgrade TANJUG Domestic Service in Serbo-Croatian 1747 GMT 13 Oct 88

[Text] [No dateline as received] Antisocialist forces in the country, precisely in order to prevent changes in Tito's program, are seeking to revise his works and the entire history, meaning, and direction of our revolution. This was stated in the closing speech of the session of the LCY Central Committee Presidium by Stipe Suvar, president of the Presidium.

Stressing that the party leadership was paying attention for the first time since the death of Josip Broz Tito to attacks on his work and personality, Suvar said that Tito represented a public barrier against counterrevolution, which is probably best confirmed by the fact that the outbreak of counterrevolution in Kosovo came about after his death. His departure was awaited before strong action was taken on an anti-Tito platform. The launching of the slogan "Kosovo Republic" meant and still means a call for the destruction of Yugoslavia. The counterrevolution in Kosovo began with the removal, destruction, and tearing up of pictures of Tito.

Replying to a request for a more in-depth background to the attacks on Tito's personality and work—which, as Suvar said, were certainly smouldering underground even during his lifetime and rose up in the period after his death, reaching a culmination today—the President of the LCY Central Committee said that at the very center of the crisis of political relations in the country lies the struggle over whether Yugoslavia will continue along the path symbolized by Tito. It is worth remembering that the Communist Party of Yugoslavia, and the LCY with Tito at its head, resolved all crucial junctures of recent history by the democratization of society and the founding of the communist movement among the popular masses. That is why the struggle for Tito's line is precisely a struggle for a freer and richer life for the people. And attacks on Tito are actually attacks on his line, which has always been, above all, the line of the workers movement.

Suvar recalled that recently for the first time a complete, meticulously formulated indictment against Tito also appeared, which cannot, of course, endanger his place in our history, but can have a destructive effect on the awareness and behavior of today's and tomorrow's generations in our country.

The document of the Committee for the Defense of Freedom of Thought and Expression is, according to Suvar, the extension and concretization of the "nonexistent" memorandum, and also a kind of resume of many years of literary and journalistic products against Tito and the revolution, and against those of us, in the great majority, who wish to preserve both Tito and the revolution, not as relics but as a permanent banner for stepping into the future. Through the document in question, Serbian nationalism is making an assault on Tito. And of course, all other nationalisms also have their own indictments against Tito.

As it was stated in today's debate, all "our" nationalisms have always been, still are and will always be against Tito simply because of the socialist revolution and because they are left high and dry thanks to the policy of brotherhood and untiy—Croatian nationalism because of the defeat of the mass movement, Slovene nationalism because of the "Cestna affair" and because of intransigence, and Albanian nationalism because Tito prevented Kosovo being annexed by Albania after the Bujan conference. Now the Serbian nationalists, in their demand that the SFRY Presidency and the public reexamine his historical role and work, go so far as to more or less call Tito a Cominform agent who allegedly always conducted an anti-Serbian policy, with the 1974 Constitution being, according to them, the final proof of such a policy.

In placing this subject on the agenda we are not preserving the status quo, nor are we concealing and justifying our own weakness, but we are bound to oppose the

counterrevolutionary line and attempts to settle accounts with Tito and with everything that he symbolizes and the very possibility of his line being maintained and revitalized.

Stipe Suvar said Tito like no other personality of the 20th century apart from Lenin, symbolizes changes through revolutionary methods and the creative revolutionary approach—in other words, antidogmatism. This is confirmed by the events in which he was the key personality of the Communist Party of Yugoslavia and in the life of our country in 1928, 1937, 1941, 1948 and 1950, and so on. Of course this does not mean that Tito and his generation—who with him at their head carried out the national liberation struggle, and in the first 4 decades conducted a policy of building socialism in our country—were faultless, or that during Tito's lifetime there was not an accummulation of all kinds of unfavorable and undesirable things, which remain in our inheritance today. But let all this be investigated by historical science, while our approach must proceed from the fact that the historical role of Tito and yesterday's generaton of revolutionaries are indelible, and the mistakes and distortions of their times are negligible compared with this role and these merits.

Beginning today, Tito is very openly and insolently accused by the petit bourgeois and leaders of the counterrevolution of being a dictator, of stifling democracy, of arrogantly removing all those who in any way dared to oppose him, of being a charismatic personality, and of ruining the country with his domestic and foreign policies. However, is it really possible to prove with facts that Tito does not deserve the most credit for our being the first and thus far the only socialist country which has handed over the factories to the workers, which has opened up to the world, which has been widely democratized, and which has always been and remained independent? It Tito had been like the petit bourgeois depict him, would he, for example have allowed the LCY program to conclude with the call that nothing is sacred and unchangeable which could be replaced with something better? And it is not by chance that it is precisely over this—whether to remain with the program of revolutionary action or to destroy the revolution and its path—that the conflict over Tito is being exacerbated today.

The other area of contention and destruction over Tito's policy, which is also an expression of obstruction and manipulation of self-management is, according to Suvar, the area of national equality, brotherhood, and unity. Instead of the policy of workers, internationalism, the forces in our society today which are managing the surplus value and are living off the work of others are increasingly and ever more openly putting forward nationalistic platforms. They are not only putting forward platforms, but are also to a large extent putting them into practice by digging-in in their nations and national states, and they view Yugoslavia from the angle of whether it is necessary or indispensable to them for the interest of their own nation and its government or whether it is a burden and a hindrance. Statist bureaucratic nationalism in alliance with the petit bourgeois nationalism of the middle classes suppresses and isolates and forcefully homogenizes our nations, isolating them from Yugoslavia and the world, thus pushing them back into the past and reviving the myths and characters of distant days. The first ones using this anti-Tito line, after his departure, to most crudely, insolently, and primitively indulge in counterrevolution were the Albanian separatists in 1981. In Kosovo, for example, instead of national equality, this brought fascist-style slogans and attempts to achieve an ethnically-pure Kosovo. The entire development of the situation right up to the present shows that the events, as opposed to Tito's line of self management, are offering—shall we say—neo-Stalinism, national state socialism, totalitarian populism, or something similar.

Making use of the situation which has arisen and seeing their opportunity, all our nationalisms, condemning Tito, have begun the struggle for the destruction of Yugoslavia. Unfortunately, even the LCY has opened itself up to these tendencies wherever it has placed nationalism in the forefront and has forgotten the class element.

Such a development of the situation has finally led to various nationalistic slogans being shouted at certain meetings - even those which are openly Chetnik. And is it really necessary to mention that it is impermissable that alongside Tito's pictures calls for fractricidal war are seen and heard.

After the appearance of the demands of the Committee for the Defense of Freedom of Thought and Expression, despite the fact that the whole country is angrily rejecting and condemning what this committee is seeking and claiming, there is nevertheless an increasing number of articles and statements by its individual members and other Serbian nationalists, in which these accusations continue to be affirmed, developed, and widened, Suvar said. Naturally this has nothing to do with the Serbian nation and its participation in the Socialist revolution. Suvar recalled Tito's famous words in a speech around 1942 or 1943, that more than 50 percent of the fighters of our National Liberation Army were Serbs, and that the socialist revolution in this country would not have been possible if the Serbian nation, as the most numerous, had not fought for it and won.

There is an obvious attempt, Suvar considers, by generalized criticism of attacks on Tito, to avoid or keep quiet about the activity of this committee, to pass over the names of its members and the signatories of the indictment against Tito, and the institutions in which they are influential figures, while in the meantime some of them have also become involved in rallies. "Can we allow Tito to be blamed in this perfidious and very blatant way for the present constitutional position of the Socialist

Republic of Serbia and the alleged 40 years of anti-Serbian policy, at the height of the debates on constitutional changes in the Socialist Republic of Serbia?" With the qualification that this is not being done by organized socialist forces, Stipe Suvar warned that, if we allow such a course of events, it could be that we will now remove the results of this policy of Tito's.

Raising the question of why certain high-circulation daily newspapers, above all in Belgrade, have not yet published the full text of the document of the commitee with the names of all its signatories—especially since these are not insignificant names, nor are they institutions in which these people are very influential insignificant—Stipe Suvar said that in the Serbian LC and throughout Serbia, and in the country as a whole, there have been many rallies at which attacks on Tito have been sharply condemned. This is why it is not clear to me, Suvar added, why this has not been considered by the Serbian LC Central Committee Presidium and why the Serbian LC Central Committee has not reacted.

This remark is all the more applicable to the Serbian LC Central Committee Presidium, since last year, after the publication of the front page of 'STUDENT' in which the person of Tito was insulted, there was almost at once a very determined reaction, and it was a similar case earlier with the so-called memorandum as well.

Now it is a question of an official demand by reputable persons for the reexamination of Tito's work. This has far greater weight and more dangerous intentions than anything committed by a group of students on the first page of 'STUDENT'. I consider that the Serbian LC Central Committee Presidium should be obliged to concern itself more closely with the anti-Tito conspiracy of the Committee for the Defense of Freedom of Thought and Expression, and that it should for its part assess what this means and where it is leading, should call for the accountability of LC members and of the editors in those public newspapers in which the members of the committee and others are also propagating anti-Tito theories. Suvar proposed in conclusion that the Presidium should conclude that in all environments where there are attacks against Tito's work and personality communists should oppose it, and that the exponents of these attacks, if they are still in the LC, should be expelled from its ranks.

Korosec Previews Upcoming LCY CC Session

LD1110212488 Belgrade TANJUG Domestic Service in Serbo-Croatian 1424 GMT 11 Oct 88

[Excerpts] Belgrade, 11 Oct (TANJUG)—In his conversation with journalists today Stefan Korosec, secretary of the LCY Central Committee Presidium, stressed that attention at the 17th session of the LCY Central Committee that will convene 17 October will focus on three reforms: economic, political, and LCY reform. Action must be directed toward resolving economic and social problems since they seem to be the source of citizens' dissatisfaction and to a large extent of justified criticism of the leadership.

The conversation in the LCY CC Headquarters covered preparations for the coming party meeting and also the 18th session of the LCY Central Committee to be held immediately after the 17th session.

To carry out reforms, differences will have to be overcome and the LCY must reach unity on the course of action to resolve key issues, Korosec said. Answers have to be provided to the issues generated by the Kosovo situation and the state of intranational relations. The role and responsibility of the various leaderships will also be discussed. Current processes will be identified and assessed and consideration given to Yugoslavia as a common homeland which can function only on the basis of principles established by the anti-fascist council of the national liberation of Yugoslavia, Korosec said. [passage omitted]

Korosec noted that the Presidium had assumed an unambiguous attitude to the practice of singling out officials for criticism. Public criticism, based on facts and truth, is an integral part of democratic relations in society. The LC organs have the duty to use it to establish who is accountable for what and to propose corresponding ideopolitical measures. At the same time we must fight unfounded criticism, slander, and attacks on a person's moral integrity. Korosec said the LCY CC has a list of all the officials who have been singled out for criticism. This issue will be discussed by the Presidium, which will then inform the Central Committee of its conclusions.

The agenda for the 17th session includes a proposal to form an LCY Central Committee commission for the transformation of the LC. This refers to party reform, Korosec said, whose guidelines were drawn up at the 13th congress and the LCY conference. The commission will coordinate work on studying theoretical and ideological aspects of the LCY's role in present circumstances. It will also organize work on a critical analysis of the statute of the LCY, the organization and method of work of the LCY Central Committee, and of the committees in the republics and provinces and their executive-political organs.

The subject matter to be given particular attention at the 17th session will be proposals made by the LCY Central Committee Presidium for implementing the standpoints of the LCY Conference concerning cadre renewal in the LCY Central Committee and its Presidium. A proposal has been prepared of the criteria for cadre renewal. The criteria will be determined by the LCY Central Committee but for statutory reasons the changes will not be carried out at this session.

Under the proposed criteria, one third of the Central Committee members should be replaced. This can be done through the replacement of a number of members at their own request and through consultations to see for which members there are grounds for examining ideopolitical accountability. We will try to ensure that the vacancies are filled with people from associated labor, education, and science, Korosec said.

He said that the so-called Hafner commission completed its work and prepared a report to be submitted at the session. The report does not identify individuals, only organs, and voices criticism. This working group was formed at the 16th session of the LCY Central Committee with the task of establishing facts and recommending, if necesary, accountability measures in connection with public confrontations between members of the Central Committee caused by the arrival of Serbs and Montenegrins from Kosovo in Novi Sad in July.

The 17th session at which Stipe Suvar, president of the Presidium of the LCY Central Committee, will present an introductory report, will be open to the public. Under a proposal to be submitted to the LCY Central Committee, there will be no live television coverage of the session. Instead, television will inform the public about the session through a number of special broadcasts.

The 18th session of the LCY Central Committee, to be held immediately after the completion of the 17th session, will be devoted to the ideopolitical aspects of constitutional changes. The aim of the debate will be to assess to what extent the proposed amendments to the SFRY Constitution are in line with the strategic orientations of the LCY and the 13th congress, Korosec said. Communists will be asked to do their utmost to harmonize outstanding issues and to embark on action immediately after the adoption of the amendments. we will call on relevant bodies to launch an initiative to start work on formulating a new constitution. An introductory report on this issue will be presented by Vidoje Zarkovic.

In a reply to journalists' questions, Stefan Korosec said that at its session the Presidium of the LCY Central Committee had adopted a working conclusion calling on the party presidiums in the republics and provinces to take a stand on the events in Montenegro.

We are in one of the worst situations that has yet affected the country, Korosec said. We call for common sense but are increasingly giving in to euphoric and hasty assessments. He said that the situation in the country or a section of the public information media was not stabilizing.

Belgrade LC Rejects Criticism of Serbia

LD1410044188 Belgrade TANJUG in English 2219 GMT 13 Oct 88

[Text] Belgrade, October 13 (TANJUG)—The city committee of the League of Communists of Belgrade, the largest party organization in Yugoslavia, on Thursday rejected the criticism lately addressed to the leadership of Serbia presenting this Yugoslav republic as an undemocratic region which seeks to realize at any cost its dream of Greater Serbia.

The Belgrade party organization has over 200 thousand members, or more than 10 per cent of the total membership of the League of Communists of Yugoslavia.

Bureaucratic power centres in some regions of Yugoslavia "are trying hard to prove and to persuade their citizens that under way in Serbia is nationalistic homogenization involving an antidemocratic, fascistoid movement intent on bringing about the idea of Greater Serbia"—it was stated at today's session of the Central Committee. This attitude "reveals that a policy implying weak Serbia as a condition of strong Yugoslavia is afoot indeed," head of the city party organization Rados Smiljkovic pointed out.

The Belgrade party committee also rejected charges that the Serbian leadership is tolerating attacks on the late Yugoslav President Tito and pointed out that Belgrade and Serbian Communists were the first to oppose them.

"The biggest responsibility for attacks on Tito's work...rests with those who are leading the country into economic hopelessness, further and deeper national inequality, into destroying brotherhood and unity, into bureaucratic arbitrariness and Stalinism," said Smiljkovic.

Belgrade Communists also expresed disappointment with the joint session of the federal party leadership and the party leadership of the Autonomous Province of Kosovo held on Tuesday in Pristina. The session, it was pointed out, was more like a debate club than a serious effort in seeking a solution to the drama of Kosovo Serbs and Montenegrins, who have been moving out from the province in large numbers for the past seven years under pressure from Albanian chauvinists and separatists.

Belgrade Communists also voiced concern at the indications that the highly important 17th session of the top Yugoslav party leadership, set for next Monday, might be closed to the public. Announced for the meeting have been major personal changes in the federal party leadership and probably also a turnaround in the policy towards the Kosovo problem and the general economic crisis.

Comparison of Stipe Suvar's TV Remarks

Belgrade BORBA in Serbo-Croatian on 6 October on pages 1 and 3 carries a 3,500-word TANJUG-attributed report on the interview with Stipe Suvar, president of the LCY Central Committee Presidium, on Sarajevo Television on 4 October, under the title "A Crisis of Development, Not of Decline." Comparison with the Belgrade TANJUG Domestic Serbo-Croatian version entitled

"Further on Suvar's Remarks" published in the 6 October East Europe DAILY REPORT on page 55 reveals that, while the BORBA version is not completely the same, since it omits portions of the TANJUG report and transposes paragraphs, the following fills are possible:

Page 55, column one, first paragraph, first sentence reads in BORBA: Sarajevo, 5 Oct (TANJUG)—We must now mobilize all the progressive forces of our society so that the revolution will go forward in both the economic and the political fields, as well as through changing the subjective factor itself. This line of the first conference should also be elaborated at the 14th LCY Congress which is drawing nearer, but the changes for which we must fight cannot come overnight; however, they must begin at once, without any hesitation and delays. Stipe Suvar, president of the LCY Central Committee Presidium, said so in the "Dialogues" broadcast of Sarajevo Television last night.

Anyhow, Suvar went on to say, it is a matter of finally abandoning and overcoming autarky in the development of socialism in our country. I would say that this, too, is a part of the problem of the development of socialism in the whole world. Even in the first country of socialism, the USSR, and elsewhere until now, socialism has developed on an autarkic basis because it lacked its own laws of reproduction and feared a capitalist encirclement. It has now developed and strengthened to such an extent that is must enter the world capitalist market, for otherwise the socialist countries cannot get out of the colonial structures of their economies. They cannot ensure a quicker technological development without great trials in the world market, which still functions as a capitalist market. To a great extent, this also relates to Yugoslavia, and perhaps chiefly to Yugoslavia, for it was the first to begin the process of an open socialism, and in this respect our society and all the socialist societies in the world are facing great trials and challenges.

Asked about the (supplying initial passage);

Page 57, column one, third paragraph, penultimate sentence reads in BORBA: which we must do and which we (clearing queried word);

Page 57, column one, between paragraphs three and four insert from BORBA: Moderator Ilija Guzina remarked: Even by what you say here, one nevertheless expects more from it than from some preceding sessions that were very quickly forgotten.

Perhaps this session will also be forgotten, but it will not be forgotten if it is too great a disappointment, Suvar said. I hope that it will not disappoint. Many will continue to be dissatisfied, regardless of what we do or do not do at this time. Many will remain dissatisfied for a considerable time, until the situation in society begins to change for the better. This flood of great criticism which contains many unsupported things will not cease so soon.

Asked if the...(supplying additional two paragraphs)

Montenegrin Interior Secretary Djodjic Resigns

AU1310145488 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 13 Oct 88

[Text] Lazar Djodjic, republican secretary for internal affairs, informed members of the Montenegrin Executive Council at their session today that he had submitted his resignation to his post. Djodjic is the man against whom workers, students, and citizens in Montenegro protested most harshly at meetings, because they considered him to be the most responsible for the militia's intervention at the Titograd meeting, as well as for the use of force against workers of the Boris Kidric steelworks who tried to join the protest meeting in the Montenegrin capital.

Further Report

LD1410051988 Belgrade TANJUG Domestic Service in Serbo-Croatian 1915 GMT 13 Oct 88

[Text] Titograd, 13 Oct (TANJUG)—Member of the Executive Council of the Assembly of the Socialist Republic of Montenegro and republican Secretary of Internal Affairs Lazar Djodjic, today informed the Council that he is tendering his resignation. The Council accepts the reasons which motivated Djodjic to take this step and considers that they should be respected, the statement says.

At the session on 8 October of this year, the republican Executive Council asked the Montenegrin Assembly to pass a vote of confidence on this organ and each of its members individually. The Assembly will do this at its next session.

There was a very unfavorable public atmosphere after the Montenegro Assembly's decision to introduce urgent measures to prevent a continuation of the extraordinary situation in Titograd Municipality, it was said at the session today. The Executive Council will be in a position to express more fully its opinion of Djodjic's responsibility and the entire event, after the findings of the Assembly commission appointed for that purpose. The Executive Council expects that when a decision is made on the vote of confidence in this body and its members and on the resignation of the republican internal affairs secretary, the delegates of the Montenegrin assembly will be in a position to work in a constructive atmosphere, objectively and without pressure n DJodjic's case on the basis of the findings of the Assembly commission.

Montenegro LC Presidium Warns Against Rallies

LD1310142488 Belgrade TANJUG Domestic Service in Serbo-Croatian 1337 GMT 13 Oct 88

[Text] Titograd, 13 Oct (TANJUG)—The Presidium of the Montenegro LC Central Committee today addressed the public through a written statement. The statement announces that at the next session of the Montenegro LC

Central Commitee on Saturday, 15 October, it will call on the Central Committee to assess the work of the Presidium and on that basis to pass appropriate political decisions. The session will be public.

In order to enable the Central Committee to make correct judgments about all aspects of the Presidium's collective responsibility and of the responsibility of its individual members, it is necessary to ensure that the session is held in normal conditions. The Presidium therefore calls on communists, workers, and citizens of Montenegro to wait for the Central Committee's decision and not to hamper its normal work by organizing gatherings and demonstrations.

In view of all this, the Presidium of the Montenegro LC Central Committee informs the public in Montenegro and in Yugoslvaia that any mass arrivals in Montenegro—and there are indications of this happening—or gatherings and public demonstrations at the time of the session could be taken as direct pressure on the Central Committee to make important political decision under duress. This would inevitably lead to further aggravation of the overall situation in both Montenegro and the country, the statement says.

Montenegro LC CC Begins Meeting in Titograd

LD1410092088 Belgrade TANJUG Domestic Service in Serbo-Croatian 0831 GMT 14 Oct 88

[Text] Titograd, 14 Oct (TANJUG)—The Montenegro LC Central Committee meeting began in Titograd at 0900 today to consider the current political situation in the republic. In light of the justified demands by workers and students made at protest meetings in Titograd and Niksic and the meetings of workers and communists held throughout the republic asking for a vote of confidence on the republic's party leadership, the Central Committee will today assess the work of its Presidium.

Montenegrin SAWP on Political Situation

LD1310192688 Belgrade TANJUG Domestic Service in Serbo-Croatian 1432 GMT 13 Oct 88

[Excerpt] Titograd, 13 Oct (TANJUG)—At the next session of the Montenegrin SAWP Republican Conference the issue will be raised of confidence in its Presidium. At the same time, the issue will also be raised of confidence in the members of the Presidium of the Federal Conference of the Yugoslav SAWP from Montenegro. This was concluded at today's session of the Presidium of the Republican Conference of the SAWP of this republic which considered the political situation following the recent meetings in Titograd and Niksic and which indicated the main directions for action by the SAWP in overcoming the very serious situation. Supporting the conclusions of the Presidency of the Socialist Republic of Montenegro and the Montenegrin LC Central Committee Presidium, the participants in today's meeting at the same time gave unanimous support to the justified demands of the workers for the solving of accumulated socioeconomic problems.

Similarly, there was sharp condemnation of the antisocialist, anti-Yugoslav, anti-self-management and other slogans and demands and hostile behavior by individuals and small groups at the Titograd meeting, as well as of other behavior directed at destroying brotherhood and unity and spreading national confrontation and intolerance, as well as a demand that corresponding measures should be undertaken against all exponents of such behavior. Concerning the intervention of the security forces, it was stated that members of the police acted on the orders of the responsible organ, but the task was set of assessing whether in this connection they had overstepped their authority, and if this proves to be the case, then corresponding measures should be taken in this case also. [Passage omitted: Individual speakers at the session quoted noting the need for a democratic atmosphere to be maintained; noting that the people had voiced their dissatisfaction and the activists of the SAWP must engage themselves in finding solutions; the situation must not just be described, problems must be solved and the SAWP must play a role in this]

SAWPY Federal Conference Opens 13 Oct

LD1310152988 Belgrade TANJUG Domestic Service in Serbo-Croatian 0950 GMT 13 Oct 88

[Text] Belgrade, 13 Oct (TANJUG)—In Belgrade's Sava Center a SAWPY federal conference session is meeting to consider possible amendments to the SFRY Constitution and to assess to what extent it heeded the demands made during the public debate and standpoints formulated by the Socialist Alliance after summing up the debate.

In an introductory report, Marjan Kotar called for continued work on harmonizing the issues still outstanding and insisted that the SFRY Assembly's Federal Chamber adopted a proposal to guarantee an endorsement by the republican and provincial assemblies.

Constitutional solutions must be fair to all. If they are not fair to an individual, they cannot be fair to a nation or nationality and if they are not fair to a nation the community will not be firm and stable, Kotar said.

The second item on the session's agenda will include a discussion on the implementation so far of the standpoints on Kosovo adopted by the SAWPY Federal Conference a year ago. The SAWPY federal conference will agree today on a proposal regarding its immediate tasks in speeding up work to overcome the difficult situation in the province.

Discusses Constitutional Changes

LD1310201888 Belgrade TANJUG in English 1924 GMT 13 Oct 88

[Text] Belgrade, Oct 13 (TANJUG)—If agreement is not reached in time on some outstanding questions on the proposed constitutional amendments, the adoption of changes to the Yugoslav Constitution could be postponed for a year. This would paralize reforms, which are a pre-condition nor overcoming the crisis, the leadership of the Socialist Alliance of Yugoslavia assessed at its session today.

The leadership of the country's largest socio-political organization discussed the results of the (?public debate) on the proposed constitutional amendments.

Speakers noted that agreement has still not been reached on questions relating to the financing of the Army, state security, election of members of the collective state leadership and the relation bwetween the federal and republican laws.

It was proposed that an effort be made to overcome the existing differences before the final formulation of the proposed amendments, which should be sent to the Federal Chamber of the Yugoslav Assembly by the end of next week.

The procedure on the constitutional changes is expected to be completed by November 29 this year. Prior to this, the republican and provincial assemblies are to give their approval on the final text of the proposed amendments.

The leadership of the Socialist Alliance also supported the initiative for the launching of a procedure for drawing up a new Yugoslav Constitution after the adoption of the constitutional changes.

The achievement of the Socialist Alliance of Yugoslavia's tasks on Kosovo was also reviewed at today's session. It was noted that the situation in Kosovo has been extremely aggravated and that the exodus of Serbs and Montenegrins, the minority population in the province which is a part of the Republic of Serbia, continues under the terror of Albanian chauvinists and separatists.

On the numerous protest rallies in the country over the past three months, members of the Socialist Alliance leadership described them as support to the positive forces in society for the faster removal of the causes of the crisis.

Colakovic Discusses Kosovo Issue

LD1410050188 Belgrade TANJUG in English 2326 GMT 13 Oct 88

[Text] Belgrade, Oct 13 (TANJUG)—An all-Yugoslav action for settling the situation in the Autonomous Province of Kosovo is in full swing and solution can no longer be put off, President of the Yugoslav Socialist Alliance Federal Conference Bozidar Colakovic stressed at a press conference for foreign newsmen in Belgrade this evening.

The question has been raised in the sharpest terms of confidence in the leaderships whose responsibility is the greatest for the situation in Kosovo, which is still difficult. This has been the demand of the more than three million people who have held rallies in the past three months, spontaneously at first and later organized by the Socialist Alliance, to protest against the state of affairs in the province, Colakovic said.

In reply to questions put to him by foreign journalists, Colakovic stressed that the Socialist Alliance would insist on the responsibility of all those leaderships which have not carried out their tasks. The greatest responsibility, Colakovic maintains, rests with the leadership of the Province of Kosovo. This matter is expected to be on the agenda of the 17th Session of the League of Communists of Yugoslavia (LCY) Central Committee, Colakovic said.

"I am convinced that the forthcoming rally in Belgrade will be the last rally to be held over Kosovo", the president of the Yugoslav Socialist Alliance Federal Conference stressed. "However, there may be further ralies due to the economic and social situation in the country. With an inflation of 200 percent, low wages and high unemployment, dissatisfaction is to be expected. The forthcoming constitutional changes and economic reform should, however, prove a turning point and create conditions for surmounting the crisis", Colakovic emphasized.

Military High School Students Injured in Attack

LD1410093588 Belgrade TANJUG Domestic Service in Serbo-Croatian 0815 GMT 14 Oct 88

[Text] Belgrade, 14 Oct (TANJUG)—TANJUG learned today from the competent authorities that on 11 October at approximately 2100 in front of the 25 May museum a group of five unruly young men rudely insulted and attacked, without motive, four students from the Brotherhood and Unity comprehensive military high school. One of the attackers seriously wounded student Marjan Mircevski with a knife. The attackers then fled.

The wounded student was treated at the military medical academy; he is expected to live.

The Secretariat for Internal Affairs is still investigating the culprits and their motives.

This is the third attack on students and cadets in Belgrade in the last few months.

Military Court Appeals: Tasic Sentence Increased

AU1410095688 Belgrade TANJUG Domestic Service in Serbo-Croatian 0918 GMT 14 Oct 88

[Text] Belgrade, 14 Oct (TANJUG)—The Supreme Military Court has confirmed the sentences imposed by the Military Court in Ljubljana as the court of first instance on Ivan Borstner, Franci Zavrl, and Ivan Jansa for the criminal act of betraying military secrets, and it increased the sentence of David Tasic from 5 to 10 months.

The Supreme Military Court also released to the press today the sentences in the Bogataj case and the Jolic case. The sentence of 1 year's imprisonment pronounced by the Military Court in Sarajevo on Tomo Bogataj for the criminal act of hostile propaganda was confirmed, and the sentence by the same court on Kosta Jolic, also for acts of hostile propaganda, was increased from 8 to 12 months.

Mikulic, Leaders Consider Prices, Subsidies

LD1310111088 Belgrade TANJUG Domestic Service in Serbo-Croatian 1113 GMT 12 Oct 88

[Text] Belgrade, 12 Oct (TANJUG)—FEC President Branko Mikulic and presidents of the republican and provincial executive councils met yesterday to consider proposals aimed at devising better solutions regarding personal incomes, the further unburdening of the economy, and the protection of living standards.

According to the Federal Secretariat for Information, the presidents of the executive councils were informed about the changes and amendments to the law on limiting personal incomes to be submitted by the FED to the SFRY Assembly. These will enable organizations which operate successfully to increase production, labor productivity, and exports, to raise personal incomes to a greater extent than has been possible until now.

Taxes will be eased by the proposed changes and amendments to the law on overall revenue and income. The following additional economic measures are envisioned: reducing interest rates and reducing federal budgetary expenditures and also of nonbudgetary spending

Agreement was reached at the meeting on a metod of subsidizing type 850 flour, bread made from this flour, cooking oil, and milk in order to reduce the impact of prices on living standards.

Reform in 10 Economic Sectors 'Next Year'

LD1310082688 Belgrade TANJUG in English 1725 GMT 12 Oct 88

[Text] Belgrade, Oct 12 (TANJUG)—The unfavourable structure of the Yugoslav economy and its poor material situation are limiting factors in the planned economic reform, but must on no account be permitted to put it off, Yugoslav Prime Minister Branko Mikulic said today.

Addressing the 11th congress of the Yugoslav Marketing Association in Belgrade, Mikulic said that the reform will be implemented in about ten major sectors of the Yugoslav economic system at the beginning of next year.

We must approach the reform immediately, said Mikulic, adding that this must be done without any delay or vaccilation which would be unacceptable and would actually bring the reform into question.

Mikulic warned that a turn to market economy, which is at the core of the Yugoslav economic reform, cannot be made overnight or simply decreed, adding that proper timing would be vital for the success of the reform.

Economy Minister Bohinc Interviewed on 'Crisis'

AU1310170188 Belgrade BORBA in Serbo-Croatian 3 Oct 88 p 4

[Report on interview with Radosav Bohinc, federal minister for economy, by Djoko Kesic: "Cheaper State, Calmer Inflation"—date and place not given]

[Text] Although expected, in a way, the news that inflation in September rose by 15.4 percent came at the right moment. This conclusion could be drawn from the fact that the FEC already discussed economic trends today and that on Thursday (6 October) the Chamber of Republics and Provinces will also hold a session. However, the question is how this news will be seen by the SFRY Assembly delegates and by the FEC. A good number of republican and provincial politicians, as well as trade union officials, are of the opinion that the May economic measures reduced the economy and population to "poverty," that the economy is forced to protect itself from the May measures by enormous price increases, especially if one takes into account the interest rate policy and the law on personal incomes.

Calmer Interest Rate Policy [subhead]

What is being changed in the FEC's policy in relation to the May package? We asked Radosav Bohinc, federal minister for economy.

[Bohinc] First of all, it is wrong to expect these measures to produce good results in such a short time. The May package contained some imprecise and bad estimates, Bohinc said. True, the price rise in September has demonstrated that the causes of inflation have not been properly established and this is why the FEC decided to strengthen rather than scrap the measures introduced in May. We will continue the cost cutting policy [troskovna politika] and in the coming period we will reduce the financial demands imposed on the economy in several respects.

[Kesic] What are these reliefs that will put the economy in a more favorable situation?

[Bohinc] First of all, we will conduct a considerably calmer interest rate policy. The revaluation of stocks will not be obligatory. Changes in certain regulations will reduce import duties on some goods and, together with some other changes, this will fundamentally change the financing of the federation and the public expenditure in the republics and provinces. This is a great change for our circumstances. We are adopting the so-called deficit financing of the federation, whereby the federation will be placed in the same position as other economic entities. I hope that this will soon be approved by the SFRY Assembly.

This means that the state will have to raise its funds on the financial market, that it will not receive these funds in advance through taxes and import duties. This therefore means that we should change regulations on security trading and introduce regulations that would allow the issuing of bonds that could be purchased on the financial market by the citizens, banks, and even the state. This system is well-known and well-developed in the world and is the most commonly used method of the budgetary financing of the state.

[Kesic] Until recently, this idea has been regarded as heresy.

[Bohinc] Even if it is heresy for the majority of people, or for the representatives of the federal administration, this is being intensively studied by the Federal Government. This is a new thing, but we need time, which is short. We also need support. An expert discussion and knowledge are not a problem. We hope that we will finalize this job by the end of the year.

Equating the State With the Economy [subhead]

[Kesic] Regardless of positive experiences with deficit financing, the financing of the federation in our country has some specific characteristics. Have you taken into account any serious opposition to this idea? Is the preparation of the program for financing undeveloped regions also connected with this?

[Bohinc] Different interests are present, but this does not mean that we cannot introduce different models that would be more efficient and cheaper. It is important that the state become an economic entity. My opinion is that we simply must do this. After all, a cheaper state is an important condition in the struggle to curb inflation, because this kind of financing will result in a number of other changes, such as, the abolition of some institutions. As far as resistance to this is concerned, I think that it will exist among the traditionalists.

[Kesic] The FEC is already preparing a series of laws which will, as is claimed and is necessary, move us closer to a market economy. What are the most radical changes?

[Bohinc] One must bear in mind that constitutional changes (something we have already reached an agreement on) in the sphere of socioeconomic relations are the most radical changes. I believe that the SFRY Constitution should contain a provision which would permit private enterprises to be established. This would fundamentally change personal attitudes toward work. Some aspects in this area should be limited by state regulations, but most importantly, we should have a suitable taxation policy that would keep all these activities within the framework of socialism. In my view, the private sector would come into life when the state establishes certain relations with it, when an entrepreneur is not regarded as the bearer of all rights, despite the fact that he has provided the funds. This is where our chance, if not the only chance, lies. At present, private capital should create about 25-30 percent of social product and we are well on the road of this being institutionalized. There is also a lot to be expected from mixed enterprises. In addition, one should bear in mind that our people are inventive in business, and this is among other things proved by the black economy. It is the responsibility of the legal state to put all this under its control.

[Kesic] It appears that this concept badly needs an adequate taxation system.

[Bohinc] The taxation system is our weak point, and this is why we have proposed radical changes. We have proposed a selective taxation system which would, we believe, be compatible with changes in the economy and society. If this system is not accepted, then the consequences should be borne by those who opposed and hindered it. The basis of the changes lies in the fact that we need to relieve the economy, to relieve imports from heavy duties, and to simply create an economic-state mechanism that will pull us out of this crisis.

Presidency Views Economic Issues, UNGA Session

AU1210215188 Belgrade Domestic Service in Serbo-Croatian 2100 GMT 12 Oct 88

[Text] At their joint session that is to be held on 26 October, the SFRY Presidency and the FEC will examine the current economic situation in the country, basic trends of the economic policy for the next year, as well as the course of the preparations for adopting measures for a complete economic reform and for its implementation. This was decided by the SFRY Presidency at its session today, at which it discussed the implementation of the stances and conclusions pertaining to the political and security situation in the country which it had adopted at the session it held on 14 September.

The SFRY Presidency also discussed the report of Budimir Loncar, federal secretary for foreign affairs, on the 43d meeting of the UN General Assembly and the Yugoslav delegation's participation in the meeting. The Presidency concluded that the general debate showed

positive processes and phenomena which contribute to the improvement of the general atmosphere and create prerequisites for more profound, positive changes in international relations.

The nonaligned countries have contributed to the constructive course of the meeting through a number of initiatives to involve the United Nations and the Nonaligned Movement in solving key international problems, particularly development problems.

The SFRY Presidency also examined the preliminary report on initiating organizational and other preparations for the ninth summit of the nonaligned countries, which will be held in Belgrade next year.

Commission Limits Foreign Companies Investments

LD1410053688 Belgrade TANJUG in English 2324 GMT 13 Oct 88

[Text] Belgrade, October 13 (TANJUG)—The Yugoslav Federal Government will be able to prevent the establishment of foreign companies in Yugoslavia in fields such as nuclear power production, the chemical industry, activities concerning radio-active waste, and in the (?various) border areas, it was stated at a session of the Constitutional Commission of the Assembly of Yugoslavia.

This was the result of a lengthy debate at a Commission session on the occasion of proposals put forward by various working bodies of the assembly concerning the proposed constitutional amendments.

Foreigners will be able to establish their own companies in all other fields of activity and parts of the country, as envisaged under the amendment of foreign investments in the Yugoslav economy.

The Commission assessed the soaring inflation which reached an annual rate of 200 per cent and a 1.3 per cent fall in industrial production over 1987 did not in themselves provide an incentive to the establishment of foreign companies in Yugoslavia.

The Constitutional Commission resumes work tomorrow to discuss controversial issues between Yugoslavia's six republics and two autonomous provinces which constitute the Yugoslav federation. These issues concern the system of taxation, Army financing, state security and the manner of electing the Yugoslav collective state leadership.

It is expected that the discusions for seeking generally acceptable solutions to all the republics and provinces may last until the Assembly of Yugoslavia session scheduled for 20 October when the Assembly is to adopt the constitutional amendments and send them to the assemblies of the republics and provinces for endorsement.

It has been planned that the amendments to the Constitution of Yugoslavia be adopted by parliament on November 29, the day on which the new Yugoslavia was created in 1943 while still under German occupation.

Ckrebic on Economic, Political 'Mishaps'

LD1110231788 Belgrade TANJUG in English 1933 GMT 11 Oct 88

[Text] Leskovac, Oct 11 (TANJUG)—The mistakes made in the economic policy, particularly by the federal bodies, have been left uncorrected for months and no one has yet been called to account for that, member of the Presidency of the League of Communists of Serbia Central Committee Dusan Ckrebic said at a ceremony marking liberation day in the Serbian town of Leskovac on Tuesday.

Apart from a rise in exports and stopping the fall in industrial production, other economic indices do not promise a way out of the crisis. In many factories salaries are barely sufficient to make ends meet, or not even that, and dissatisfaction among workers is great—warned Ckrebic at a rally attended by some 50,000 people.

The dissatisfaction is intensified by the insufficiently resolute struggle against Albanian chauvinism and separatism in the Autonomous Province of Kosovo and the absence of legal security for the Serb and Montenegrin population in the province, he said.

Responsibility for political and economic mishaps cannot be covered up by collective leadership, nor can workers be made to suffer for them, it was said at today's meeting of solidarity with the Kosovo Serbs and Montenegrins in another Serbian town, Valjevo, attended by some 100,000 people.

Participants at a meeting of solidarity in the Serbian town of Cuprija distanced themselves from all nationalists and other enemies of Yugoslavia and socialism, and said that national divisions do not lead anywhere. The meeting called on all honest Albanians in Kosovo—which the participants said are in majority—to free themselves from fear, threats and pressures and join in the struggle against separatists.

Albanian Workers Oppose Serbian Amendments

LD1310132488 Belgrade TANJUG Domestic Service in Serbo-Croatian 1108 GMT 13 Oct 88

[Text] Prizren, 13 Oct (TANJUG)—At a meeting at the 'Printeks' textile plant in Prizren, the biggest industrial complex in the municipality, workers on the first shift expressed opposition to amending the Serbian Constitution. This was done after a lengthy speech by Nuhija Salihu, the secretary of the work organization, who, in addition to explaining what amendments to the Constitution were envisioned, disclosed some of the controversial issues on which an agreement has already been reached by the provinces and the Republic of Serbia. The

main points of the contributions made at today's session were that the 1974 Constitution lacks nothing and that it was signed by Comrade Tito, hence nothing should be changed. This was greeted by the workers with hearty applause.

In the discussion, only the workers of Albanian nationality took part. A number of workers left the meeting before the discussion ended.

Sjenica Meetings Condemns Albanian Nationalism

LD1410083488 Belgrade TANJUG Domestic Service in Serbo-Croatian 1530 GMT 13 Oct 88

[Summary] Sjenica, 13 Oct (TANJUG)—Today, several thousand citizens of Sjenica and this area of Sandzak gave full support to Serbs, Montgenegrins, Muslims, and other non-Albanian inhabitants of Kosovo, at a meeting of brotherhood and unity. They called for the political and criminal responsibility to be attributed to those who deserve it. However, they expressed suport for Albanians such as Latif Zekic, president of the SAWP municipal conference, who support Yugoslavia and self-managing democracy.

50,000 Attend 13 Oct Rally in Vrnjacka Banja

LD1410100488 Belgrade TANJUG Domestic Service in Serbo-Croatian 1800 GMT 13 Oct 88

[Summary] Vrnjacka Banja, 13 Oct (TANJUG)—At the legendary River Popina [site of World War II battle] a solidarity meeting with Serbs and Montenegrins in Kosovo was held today. Over 50,000 people were there, including some 400 Serbs and Montenegrins from Kosovo. They demanded, besides equal rights for Serbs and Montenegrins in Kosovo, unity and stability in Yugoslavia, a reduction of inflation, the paying of of foreign debts, and an end to high unemployment.

Banjaluka Workers Demand Action To End Troubles

LD1310141588 Belgrade TANJUG Domestic Service in Serbo-Croatian 0921 GMT 13 Oct 88

[Text] Banjaluka, 13 Oct (TANJUG)—We are writing to you in support of the justified demands by the working class, communists, and other progressive forces of our country and of demands by the disenfranchised and the threatened in Kosovo for resolute action to crush counterrevolution, various nationalisms, and all other troubles which are hampering our development.

This is how 10,000 employees of Rudi Cajavec composite organization of associated labor of Banjaluka started a letter sent this morning to the LCY Central Committee and the Bosnia-Hercegovina Central Committee. The letter, sent on the eve of the coming sessions of the Bosnia-Hercegovina LC Central Committee and of the LCY Central Committee, warns these two organs not to betray the "expectations of the working class" since, as the letter states, "there will be no second chance." At the same time the workers express their belief that "we shall find enough strength and common sense to pull out of the crisis in the manner outlined by Tito."

No Solidarity Meeting in Pljevlja Town

LD1310111288 Belgrade TANJUG Domestic Service in Serbo-Croatian 1453 GMT 12 Oct 88

[Summary] Pljevlja, 12 Oct (TANJUG)—The Presidium of the Pljevlja SAWP Municipal Conference and the Pljevlja SUBNOR [Federation of Veterans' Associations of Yugoslavia] Municipal Board stated today that in response to recommendations from the top organs in the federation and the republic, there will be no solidarity meeting in this town, because there is no need for it at a time of stabilization in Montenegro.

'Insults' to Serbia From Slovenia, Croatia

AU1310211888 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 13 Oct 88

[Kosta Krajincanic commentary: "Mind Confined to Anti-Yugoslavism"]

[Text] Some communities in Yugoslavia like Serbia most when it keeps quiet. The moment it speaks out, affection ceases and insults and reproaches begin. This is exactly what has been happening in recent months since the people in Serbia spoke out against political bureaucracy and in favor of new, more efficient, and effective methods of political struggle. At the beginning, it received sideways mild reproaches, which recently grew into frontal and brazen insults that are unprecedented in all our internal political relations and debates.

A heated example of such rage directed toward political events in Serbia—and this means directed toward the Serbian people too, since they are the exponent of these events—was provided by some speakers in Zagreb and Ljubljana yesterday. Speaking at the Croatian SAWP Republican Conference and referring to these events, Vlado Ravlic asked the following: Who is offering the phalanx approach, instead of democracy, who is introducing Goebbels' methods into propagandist activity? Speaking at the session of the Slovene LC Central Committee, Bozidar Debenjak compared the wave of revolutionary demands for changes in society which has spread over Serbia this summer with Peron's campaign to grab power and the Chinese Cultural Revolution.

It would have been a pure waste of time now to explain what has really been happening in Serbia. If the Croatian and Slovene public is under the influence of the propaganda activity of its own public media and speakers, such as Ravlic and Debenjak, and therefore has a distorted picture of these events, then it is obviously a victim of serious manipulation that exceeds the framework of this commentary.

Let us rather deal with the question of the motives that move people such as Ravlic and Debenjak to attack an entire people in such an unscrupulous way and to hurl insults and slander. What panic and fear could have restricted their minds so much that they saw the phalanx method, Red Guards of the Cultural Revolution, and Geoebbels' propaganda in the spontaneous protest of the people against a barren policy that is pushing the country deeper and deeper into crisis, and in the mass expression of the people's solidarity with those sufferering in Kosovo? In the name of what kind of democracy does this restricted mentality denounce the voice and will of the people?

It is not enough to say that this is only the result of a fear that the process of liberating the people's political consciousness and their settling of accounts with bureaucratism in politics could gain broader scope. It is also insufficient to explain that the authors of the abovementioned insults are under a strong nationalist influence and obsessed with Serbophobia. Another incomplete answer is to claim that this is only an expression of their personal lack of culture. It seems that what is involved is some stronger reason after all.

One fact carefully concealed from the public outside Serbia is that the solidarity meetings or protest rallies have a very pointed Yugoslav orientation. One could almost say that the idea of Yugoslavism, which had started to lose strength, experienced a renaissance at these meetings such as has not been seen since the first postwar days. The Yugoslav tricolor fluttered at every meeting, the Yugoslav anthem "Hey Slavs" was sung by millions, filled with pride, and one of the slogans most frequently shouted was "Let us cherish Yugoslavia."

It seems that this was not appreciated by the long-time proponents of the thesis that Yugoslavia is only what the republics and provinces agree it should be, and nothing more and nothing beyond that. This was not appreciated by those people who see Yugoslavia only as a necessary geographic neighborhood, that is, as a necessary evil. They are afraid of the Yugoslav spirit that pervaded the rallies in Serbia; they are the people who think that Yugoslavia must deserve their love, those who silently and even tolerantly look upon attacks on the Yugoslav Army, and those who wholeheartedly and persistently put obstacles in the way of any changes to the political and economic system of the country the very moment it seems to them that these changes could provide Yugoslavia with anything more than remnants. For those people Yugoslavia is a frightening spirit looming in the sky. One cannot expect any other reaction from such people. They will consider any support for a united, strong, and joint Yugoslav state to be an attack on their own backyard, in which their power is unchallenged. They will not shun even the most unscrupulous insults in order to preserve this status. If need be, they will proclaim the whole of Serbia to be the center of the Chinese Cultural Revolution and Goebbels' propaganda, and its people to be a manipulated mob that is applying the phalanx method and lynching officials.

This is so: When somebody has been distancing and fencing himself off for years, he finally confines his own mind.

Kosovo Presidency, Presidium 8 Oct Statement

AU1310115988 Belgrade BORBA in Sero-Croatian 10 Oct 88 p 6

[TANJUG report: "Danger of Even Worse Consequences"]

[Text] Pristina, 9 Oct (TANJUG)—The political-security situation in the Socialist Autonomous Province of Kosovo is complex and grave, and is deteriorating. This was, according to a statement issued yesterday, concluded at an expanded session of the Kosovo LC Provincial Committee Presidium and the Kosovo Presidency held yesterday.

The introductory speech was made by Kacusa Jasari, president of the Kosovo LC Provincial Committee Presidium.

The statement says; among other things:

"In the general unfavorable trends and intensified political climate, it is above all Albanian nationalists that are using every opportunity to act in an organized way. There have already been several cases of distributing hostile leaflets, there is an increase in the number of various cases of excess behavior and attacks on people and the property belonging primarily to Serbs and Montenegrins. In the present circumstances, this is all done with the aim of further inciting the climate of insecurity, dissatisfaction, tension, psychosis, and uncertainty. This is also further inciting protests and public reaction, and directly affects the emigration of Serbs and Montenegrins from Kosovo.

Intensification of Intranational Relations [subhead]

Increasingly pronounced polarization and further deterioration in intranational relations, gatherings and divisions on a national basis, as well as numerous unacceptable and even nationalist slogans threaten to further intensify the situation, to incite uncertainty and confusion, and even to cause concern and fear for the future among all working people and citizens. The situation is extremely delicate and there is a danger of serious, even grave consequences.

The intensified political situation in the province is characterized by rumors and commentaries that there will be a mass rally in Kosovo, not only of people from the province, but also from other places, and that this demonstration will be a single nationality demonstration.

The Presidium and the Presidency emphasize that such a mass rally in Kosovo, and particularly in Pristina, could, under exceptionally tense circumstances and intranational relations, have far reaching and serious consequences. This is why everything should be done in the province, the SR of Serbia, and the country to prevent such rallies that could lead to intranational clashes.

The Presidium and the Presidency stress that among the priority and urgent tasks is the need to undertake all actions and measures to eliminate the causes that led to the boycott of Serbo - Croatian classes in some schools and faculties, and to ensure that conditions are such that children and young people can attend classes in safety and peace.

Cadre Changes Soon [subhead]

The Kosovo LC Presidium and the Presidency also concluded that the political situation and trends have been affected by the currently held discussions on constitutional changes. In this respect, as the LCY Central Committee Presidium assessed, the Kosovo LC Provincial Committee and the Kosovo Presidency think that the ideopolitical content of the draft amendments to the Constitution of the SR of Serbia is in accordance with the tenets of the 13th LCY Congress and the LCY conference on relations in the SR of Serbia, but that the concrete resolutions should be a result of a public debate and joint work within the institutions of the system. These solutions should be arrived at through the established procedure for changing the Constitution of the SR of Serbia. One should strive for the adoption of changes in the SR of Serbia and Kosovo within the set deadlines because this would have a significant influence on the political climate and relations, concludes the statement issued by the Kosovo LC Provincial Committee Presidium and the Kosovo Presidency. dd